TERMS AND CONDITIONS PLASTIC COMPONENTS, INC.

- I. Acceptance. No terms and conditions other than the terms and conditions contained herein (the "Agreement") shall be binding upon Lighthouse Holdco, LLC, and its affiliated companies, including but not limited to Plastic Components, Inc. and PCI of North Carolina, LLC (dba Syracuse Plastics of North Carolina)(collectively "PCI") unless accepted by it in a writing signed by PCI. All terms and conditions contained in any other oral or written communication which are different from or in addition to the terms and conditions herein are hereby rejected and this document is the complete and exclusive statement of the terms, save for purchase orders submitted by Buyer for the purchase of the items contemplated by this Agreement (the "Products") which are consistent with this document and which are accepted by PCI (a "PO").
- II. Shipment and Inspection. Subject to any contrary terms contained in a PO which are accepted by PCI, in writing, all Products are shipped F.O.B. PCI's facility and Buyer shall be responsible for arranging for and paying the carrier. Risk of loss and title shall pass to Buyer upon delivery to Buyer's carrier. The cost of any special packing or handling required by Buyer or the nature of the Products shall be borne by Buyer. Claims for damage, shortage or errors in shipping must be reported within two (2) days following delivery to Buyer. Buyer shall have ten (10) days from the date Buyer receives any products to inspect such products and services for defects and nonconformance which are not due to damage, shortage or errors in shipping and notify PCI, in writing, of any defects, nonconformance or rejection of such Products. Buyer hereby agrees that such period is a reasonable amount of time for such inspection. After such ten (10) day period, Buyer shall be deemed to have irrevocably accepted the products, if not previously accepted. After such acceptance, Buyer shall have no right to reject the Products for any reason or to revoke acceptance. Buyer agrees that PCI may overship Products in any delivery in an amount not to exceed five percent (5%) of the total order quantity without penalty and with the right to bill for the entirety of such order.
- **III.** Force Majeure. Neither party shall be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its reasonable control, including but not limited to acts of God, civil disorders, acts of any civil or military authority, judicial action, terrorist acts, natural disasters, shortage of raw materials and strikes and other labor problems or shortages.
- IV. Molds, Dies, Tools, and Other Equipment. Tools, dies and other equipment furnished PCI by Buyer shall be at Buyers' risk and expense. Changes in molds, dies, and tools made necessary by changes in specifications already accepted by PCI shall be at Buver's expense and Buver shall assume all risk. PCI agrees to maintain all molds, dies, and tools in operation during their normal productive life except that the PCI's liability to do so shall be limited to a period of one year after completion of the last order produced on the molds, dies, and tools. PCI shall in no way be liable for the continued existence or availability of any such molds, dies, or tools after expiration of such period. Buyer shall pay any unpaid costs of any molds, dies, or tools furnished by PCI upon Buyer's demand for delivery thereof. A removal fee may be charged upon removal of any tool by Buyer. PCI shall have a lien upon and a security interest in any of Buyer's molds, dies, tools or property in the possession of PCI to secure all unpaid balances due and owing from Buyer to PCI. If Buyer fails to remove any tooling or other property from PCI's facility within a reasonable period (but in no event longer than 30 days) after notice from PCI, PCI shall be entitled to assess a reasonable storage fee and/or dispose of or return such tooling or property to Buyer at Buyer's sole expense. If PCI has purchased any specialty or unique raw materials or components specifically to service Buyer, PCI may invoice Buyer for such materials or components at its cost and subject to the further payment terms set forth herein.
- V. <u>Mold Storage/Removal.</u> PCI shall store molds in its possession at its facilities; Buyer shall keep the molds insured against any loss or damage while such molds are in PCI's possession. Buyer will name PCI as the loss payee, and will be responsible for any self-insurance retention or deductible. PCI shall be responsible for any damage to the molds caused by PCI's gross negligence or willful $12364755\ v2$

- misconduct. Before removal of molds from PCI, costs incurred by PCI for mold maintenance and repair not otherwise recovered by PCI, shall be paid by Buyer to PCI along with all other costs and amounts due from Buyer to PCI. Mold or maintenance charges may be waived at PCI's discretion. Buyer acknowledges PCI's right to a molder's lien with respect to all amounts due PCI, as provided by applicable law. PCI reserves the right to invoice Buyer for all costs and expenses incurred by PCI (including labor costs) in the maintenance and repair of any of Buyer's tooling upon termination of the supply relationship between the parties.
- VI. Price and Payment. Terms are net thirty (30) days unless otherwise noted. Terms are upon receipt for all Invoices. PCI reserves the right at any time to suspend, limit or otherwise modify the terms of such credit whenever, in PCI's opinion, Buyer's financial condition so warrants (including requiring Buyer to make cash payment or provide other security prior to or upon tender by PCI of delivery of Products). A monthly charge of one and one percent (1%) on all sums outstanding will be added to each past due amount and PCI shall be entitled to all costs of collection (including reasonable attorneys' fees). Unless otherwise agreed to in writing by PCI, all prices quoted are exclusive of transportation and insurance costs, duties, tariffs, and all taxes including, but not limited to, federal, state, provincial and local sales, excise value added goods and services taxes and any other taxes.
- VII. <u>PO Modification/Cancellation</u>. Buyer shall have no right to order any change or modification to any PO or otherwise cancel any PO without PCI's written consent and payment to PCI of all charges, expenses and reasonable profits owed to or incurred by PCI.
- VIII. PPAP: All costs associated with PPAP, including any annual PPAP revalidation, shall be paid for by Buyer.
- IX. Limited Warranty. The exclusive and limited warranty provided by PCI hereunder is that the Products will conform to those specifications provided by Buyer and accepted in writing by PCI (the "Warranty"). OTHER THAN THE WARRANTY, PCI MAKES NO WARRANTY WITH RESPECT TO THE PRODUCTS, AND THE BUYER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. The Warranty applies only to the extent that any nonconforming Products have been properly handled, used installed and/or maintained. PCI recommends that Buyer independently test the Products to determine suitability for the intended use and of any materials used in the manufacture of the Products (and Buyer is not relying upon PCI to determine said suitability).
- X. Warranty Service: Any claims for breach of warranty shall be made by notifying PCI's Quality Department in writing and obtaining a Return Material Authorization ("RMA") Number for the return of the parts (which is to be referenced on all return shipping documents). The warranty service shall be performed at PCI's facility. In order to receive the warranty service, Buyer must return the defective part within 30 days of notification from Buyer hereunder. All warranty claims will be handled pursuant to PCI's standard RMA procedures. If PCI determines that the original parts were not defective, Buyer shall reimburse PCI all costs of handling, transportation and repairs at PCI's prevailing rates. All defective parts returned under this warranty which are replaced or for which a refund is given to Buyer shall become PCI's property.
- XI. <u>Limitation of Liability</u>. In the event that it is determined that the Warranty has been breached, the liability of PCI and the exclusive remedies available to Buyer will be limited to the repair or replacement of the Product by PCI or the return of the purchase price of such Product, as determined by PCI in its sole discretion. SUBJECT TO THE FOREGOING LIMITATIONS, PCI'S LIABILITY FOR ANY OTHER CLAIM RELATING TO THE PRODUCTS OR ANY SERVICE PROVIDED BY IT TO BUYER, WHETHER BASED ON BREACH OF CONTRACT, NEGLIGENCE, PRODUCT LIABILITY OR OTHERWISE, SHALL NOT EXCEED

THE NET INCOME EARNED BY PCI FROM THE PRODUCTS IN THE SIX (6) MONTHS PRIOR TO THE PURCHASE PRICE OF THE PRODUCT. IN ADDITION, NEITHER PARTY SHALL BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS SAVINGS, BUSINESS INTERRUPTION OR LOSS OF ANTICIPATED BENEFITS, ARISING OUT OF THE USE OR INABILITY TO USE THE SERVICES AND/OR PRODUCT(S), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

XII. Indemnification. Subject to the limitations on liability set forth in Section V, the parties shall indemnify and hold each other and their respective affiliates, shareholders, members, directors, officers, employees and agents ("Indemnified Parties") harmless from and against any loss, liability, damage or expense, including reasonable attorneys' fees ("Losses"), such parties may incur as a result or, arising out of or by reason of any breach, misrepresentation or nonfulfillment on the part of such party of this Agreement. Buyer shall further hold PCI Indemnified Parties harmless from and against Losses resulting from or relating to Buyer's or Buyer's customers' design, use, marketing, distribution or sale of the Products.

XIII. <u>Representations</u>. Buyer represents and warrants that: (a) the Products, their specifications and their sale or use do not and will not infringe any intellectual property rights of any third party, including, but not limited to, any trade secret, trademark, copyright or patent (except to the extent designed by PCI), and (b) the marketing, sale, distribution and use of the Products by Buyer comply and will comply with applicable laws and regulations.

XIV. Improvements and Development Costs. Any and all Improvements shall be the exclusive property of PCI and Buyer agrees to perform all actions necessary or desirable to vest and confirm ownership of Improvements in PCI. "Improvements" shall mean any inventions, developments, enhancements, adaptations, advancements and other intellectual property, whether or not patented or patentable, derived from, associated with or relating to the Products, any component thereof, their tooling, raw materials or any production process, technique or procedure which may be discovered, developed, invented or acquired by PCI in whole or in part. Buyer acknowledges that PCI expends and provides considerable time, resources and expertise in connection with the intake and preparation of Products for production, including, but not limited to, design assistance, tooling design and construction, molding process optimization, material selection and other development and application of intellectual property and proprietary practices ("Development Costs"), and that PCI undertakes those efforts with the reasonable expectation that it will be retained to provide significant production of the Products. Should the supply relationship between Buyer and PCI embodied in these terms and conditions terminate prior to purchase of a total quantity of Products equal to 3 full years of production volume as indicated in the original project information provided to Buyer, PCI shall be entitled to issue Buyer an invoice for the unrecovered portion of the Development Costs based upon the actual purchases of Products relative to this forecasted amount, as determined by PCI in its reasonably exercised sole discretion. The terms of such invoice shall be as provided in Section II of these terms and conditions and Buyer further acknowledges that any amounts due in connection with Development Costs shall be subject to PCI's molders' lien rights pursuant to applicable law.

XV. <u>Miscellaneous</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin (regardless of the laws that might be applicable under principles of conflicts of laws) as to all matters, including, but not limited to, matters of validity, construction, effect and performance. The parties hereby irrevocably consent to the exclusive jurisdiction of the courts of the State of Wisconsin in Washington County, and the federal courts for such jurisdiction, and waive any contention that any such court is an improper venue for enforceability of this Agreement. Buyer acknowledges PCI's right to a molder's lien

with respect to amounts due hereunder as provided by applicable law. The failure of PCI to insist upon performance of any provision or to exercise any right or privilege granted to PCI in this Agreement shall not be construed as waiving such provision or privilege. The invalidity of any terms or provisions hereof shall not affect the validity of the remaining terms or provisions, and this Agreement shall be construed as if such invalid terms or provisions had been omitted.

XVI. Part Pricing. Part pricing is quoted based on five main variables: price of resin and other purchased components outside of PCI's control, production scrap, cycle time, and customer driven changes, and labor. Part prices will be upheld for the duration of the first purchase order of every program. Future purchases are subject to change based on changes to the five variables discussed herein, as follows:

- Resin and Purchased Component Price: Increase in the cost of resin
 or purchased components will result in an equitable adjustment of
 the product price. Substitution of an alternate resin due to
 obsolescence or availability may also trigger price adjustment.
- Production Scrap: Scrap over the initial estimate may be assessed
 on future orders by an increase in part price. Examples include
 mold-caused defects where the Buyer does not wish to pay for the
 repairs necessary to repair the tool. In such a circumstance, PCI will
 continue to run in a higher scrap condition yet adjust the part price
 accordingly.
- Cycle Time: Cycle times that deviate by more than 25% from the estimate will result in an equitable adjustment to the product price.
- Customer driven design or engineering changes that require changes to form, fit, function, or handling will result in a requote.
- Labor: Changes in the applicable prevailing wage will result in an equitable adjustment to the product price.

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