

**TOYOTA MOTOR NORTH AMERICA, INC.
TERMS AND CONDITIONS (DIRECT)**

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SCHEDULE A—RDDP ACTIVITY

SCHEDULE B—INSURANCE REQUIREMENTS

APPENDIX OF DEFINED TERMS

TOYOTA MOTOR NORTH AMERICA, INC. TERMS AND CONDITIONS (DIRECT)

These **TERMS AND CONDITIONS** ("Terms") are by and between the supplier providing Products to a Toyota Party ("Supplier") and the Toyota Party issuing the Contract Document pursuant to which the Products are provided. Each defined term used in these Terms is defined either in the body of these Terms or in the Appendix of Defined Terms included at the end of these Terms. A table of defined terms identifying the section in the body of these Terms where such term is defined is set forth at the beginning of the Appendix of Defined Terms.

1. RELATIONSHIP OF THE PARTIES.

1.1 Guiding Principles. The Toyota Parties and Supplier will adhere to certain guiding principles that serve as the foundation of and provide philosophical direction for the commercial relationship between the parties (as may be adopted and modified, "Guiding Principles"). In all dealings between the Toyota Parties and Supplier, all parties will use commercially reasonable efforts to comply with the Guiding Principles, including (a) compliance with the spirit of all Legal Requirements and principles of corporate ethics; (b) exhibiting proper care and concern for the environment and safety; (c) respect for and contribution to the betterment and improvement of the Local Community; (d) enlightenment, growth, and continuous improvement of all management, employees, and business partners; (e) adoption and practice of customer first principles; (f) practice of fair trade and sound business practices in all business dealings; (g) promotion of social responsibility for all management, employees, and business partners; and (h) consideration of, and regular contribution towards, sustainable development of society, the environment, and the overall well-being of the Earth. Guiding Principles specifically govern the practices and policies of the Toyota Parties as corporate citizens in their dealings with their suppliers, customers, and Local Communities. The parties' primary objective is the satisfaction of the Toyota Parties' customers purchasing Vehicles. To accomplish their primary objective, the parties will strive to communicate openly and honestly, share information on a continuous basis, and consistently improve their relationship and the Items provided pursuant to these Terms. Overall, it is the goal of the Toyota Parties and Supplier to develop mutual trust, cooperation, and goodwill in performing these Terms.

1.2 Good Faith. The parties agree to (a) act in good faith towards each other in performing under these Terms; and (b) negotiate in good faith all matters, issues, or provisions which arise under or are related to these Terms that require the parties to reach a consensus, understanding, or agreement ("Negotiated Matter"). As appropriate, the applicable Toyota Party will discuss and seek input from Supplier on all Negotiated Matters. If the Toyota Party and Supplier cannot agree on the resolution of a Negotiated Matter after discussion and negotiation, and as a matter of last resort, the decision of the Toyota Party, made on the basis of its best business judgment, is final in resolving any Negotiated Matter.

1.3 Supplier Expertise. Supplier acknowledges and agrees that (a) Supplier has the requisite design, development, engineering, and manufacturing expertise and experience, and will use, and the Toyota Parties are relying on, such expertise and experience, to design, develop, engineer, and manufacture Items that (i) perform properly, safely, and adequately under all reasonably foreseeable conditions the Items could experience in their intended applications and uses, and (ii) meet the high quality expectations of the Toyota Parties and their customers; and (b) the Toyota Requirements may not provide a complete description of all specifications, conditions, and requirements for Items. Supplier is responsible for providing all software, hardware, personnel, and other resources needed to fulfill its obligations under the Agreement. Utilizing Supplier's technical expertise and experience relating to products similar to Items, Supplier will, as requested by the Toyota Parties, prepare detailed designs, drawings, and specifications for the Items (collectively, "Item Specifications") so as to meet the Toyota Requirements. Supplier will, as requested by the Toyota Parties, submit such Item Specifications to the Toyota Parties for approval. Once approved by a Toyota Party, the Item Specifications may not be modified without the consent of the Toyota Parties. Neither the failure of the Toyota Requirements to address any aspect of Item performance or design, nor a Toyota Party's approval of the Item Specifications, will relieve Supplier from full responsibility for any of its obligations under the Agreement.

1.4 Requests for Information; Cooperation. When and as requested by a Toyota Party, Supplier must accurately and completely respond and return to such Toyota Party all surveys, questionnaires, certifications, and other requests for information or documents related to Supplier's performance, or ability to perform, under or in compliance with the Agreement, the Toyota Requirements, or any Legal Requirements. In the event of an actual, potential, anticipated, or alleged violation of any Legal Requirement, Warranty Claim, Recall, Product-Related Claim, or an audit or investigation initiated by a Toyota Party or initiated by a third party and involving a Toyota Party (including a government entity) (collectively, "Investigation"), Supplier must cooperate with the Toyota Parties and provide the Toyota Parties with all materials, information, and documents when and as requested by the Toyota Party or any third party with respect to the Investigation.

1.5 Continuous Improvement. Supplier will perform under the Agreement in a manner that results in continuous improvement in Supplier's provision of Items to the Toyota Parties. Supplier will participate in all quality improvement and other manufacturing programs and initiatives of the Toyota Parties and otherwise comply with the Toyota Requirements.

1.6 Access; Audit; Record Retention.

1.6.1 Generally. Supplier will grant the Toyota Parties and their Representatives, at all reasonable times and as reasonably requested by the Toyota Party, access to Supplier's premises and systems and will allow the Toyota Party and its Representatives to analyze, process, and duplicate, in hard copy or electronic form, Supplier's Financial Information and other written or electronic records, data, documents, and information (including engineering and other design drawings, test documents, and quality control documents) as the Toyota Party deems reasonably necessary (a) to audit, verify, validate, inspect, and monitor (i) compliance with Legal Requirements, (ii) compliance with the Toyota Requirements, and (iii) Supplier's compliance with, or its performance or ability to perform under, the Agreement; (b) in connection with procedural reviews and audits related to Trade Laws; or (c) to evaluate the financial stability and strength of Supplier. If requested by a Toyota Party, Supplier will use its best efforts to obtain consent from any Toolmaker for such Toyota Party (or its designee) to inspect the Toolmaker's premises in connection with the Agreement. Any audit will be pursuant to such processes, procedures, and policies as are designated by the Toyota Party and Supplier will provide reasonable support and cooperation, at its expense, to accommodate such audit. If Supplier's Financial Information, or any other information about Supplier that is publicly disclosed, would reasonably call into question Supplier's longevity, financial stability, solvency, or ability to perform its obligations under the Agreement on a timely basis, Supplier will, as soon as reasonably practicable, notify the Toyota Parties of the circumstances, the expected impact, if any, on Supplier's performance of its obligations under the Agreement, and the measures being taken to address such circumstances.

1.6.2 Protection of Information. Supplier's information provided to a Toyota Party under this Section 1.6 is Confidential Information. Supplier may limit or restrict the Toyota Party's access to Supplier's premises to the extent necessary to protect confidential information of or relating to Supplier's other customers. In exercising any access rights to Supplier's premises, the Toyota Party will take commercially reasonable steps to protect the confidentiality of and not interfere with the business relationship between Supplier and any of its other customers.

1.6.3 Record Retention. Supplier will use its commercially reasonable efforts to keep copies of all pertinent bookkeeping and accounting information for a period of five years after payment of the corresponding Supplier Payable. For each class or type of Items, Supplier must maintain all records, documents, and information evidencing Supplier's compliance with the Agreement, including those records, documents, and information identified in this Section 1.6, for at least a period of 10 years after the last delivery to a Toyota Party of Items that are of that particular class or type of Item or such longer period as may be required by Legal Requirements.

2. AGREEMENT TO SUPPLY ITEMS.

2.1 Items. The Toyota Parties are in the business of purchasing directly, or coordinating the purchase by others of, Products that are part of or utilized in Vehicles. Supplier provides or desires to provide certain types of Products to the Toyota Parties. The Products that are supplied, designed, developed, engineered, processed,

produced, manufactured, delivered, or otherwise provided to a Toyota Party by or on behalf of Supplier pursuant to these Terms and the applicable Contract Documents (collectively, the “Agreement”) are referred to as the “Items.” Supplier, at its expense, will provide the Toyota Parties with all assistance reasonably requested by a Toyota Party relating to the incorporation of an Item into a Product or Vehicle or any Product into an Item. Supplier will keep the Toyota Parties advised of any information that any Toyota Party, as a distributor of each Item, reasonably ought to know so that the Toyota Party or Supplier is able to supplement, modify, or replace any Item instructions, packaging, or labeling from time to time as may be appropriate or necessary. When requested, such assistance may include preparation of installation and operating instructions and training of installation personnel at port processing facilities utilized by a Toyota Party in the method and manner prescribed by such Toyota Party.

2.2 Acceptance. These Terms are effective and shall apply to the relationship between Supplier and the Toyota Party as of October 1, 2021, including (a) all Items delivered to a Toyota Party on or after that date; and (b) all Contract Documents in effect as of or issued after that date. The parties do not intend for these Terms to be signed. Instead, the Agreement is accepted by any performance by Supplier under the applicable Contract Documents. Supplier’s commencement of work on the Items for a Toyota Party, or Supplier’s continuing and ongoing performance under the Agreement, is evidence of and constitutes Supplier’s acceptance of the Agreement. Submission of a Conforming Invoice by Supplier (or submission of any advance shipping notification, evidence of shipment of Items, documentation concerning Supplier Payables, or any other documentation that demonstrates that Supplier is performing its commercial relationship with the Toyota Parties, as may be deemed acceptable to the Toyota Parties, whether transmitted to a Toyota Party electronically or otherwise) constitutes an independent written acknowledgement of Supplier’s acceptance of the Agreement. Notwithstanding the foregoing, the obligations of the Toyota Parties and Supplier under Section 5.6 apply to any Confidential Information disclosed to or accessed by the Toyota Party or Supplier, or either of their Representatives, prior to its acceptance of the Agreement.

2.3 Contract Documents. Contract Documents are additional terms and conditions that supplement these Terms and further define the relationship between Supplier and the Toyota Parties, not independent contractual agreements. Contract Documents will be made available to Supplier independently of these Terms. The Toyota Party generating or providing the applicable Contract Document will (a) provide copies of, or access to, Specific Contract Documents; and (b) take reasonable steps to provide notice of Generic Contract Documents, in each instance pursuant to procedures established by such Toyota Party. All applicable Contract Documents are incorporated by reference into these Terms notwithstanding the fact that the Contract Documents may not be attached to these Terms.

2.4 No Requirements/Output Contract. Nothing contained in the Agreement may be construed to create an exclusive relationship between Supplier and the Toyota Parties. The Toyota Parties may buy or otherwise acquire from other sources Products that are similar to or exactly like the Items or reduce quantities acquired from Supplier regardless of the course of dealing between the parties. The Contract Documents do not constitute a requirements or output contract, unless, and then only to the extent, specifically designated as such in a Contract Document signed by the applicable Toyota Party and Supplier.

2.5 Toyota Networks. Supplier acknowledges and accepts that aspects of the relationship between Supplier and the Toyota Parties will utilize the Toyota Networks, and Supplier consents to such use. The Toyota Parties may use Electronic Forms, which may be made available through any of the Toyota Networks, to supplement, modify, or replace, in part or entirely, written Contract Documents. The Toyota Parties may create, amend, or modify policies and procedures for (a) use of the Toyota Networks; and (b) the transition to and implementation of Electronic Forms, and each of such policies and procedures may be (y) made available through the Toyota Networks; and (z) modifications to these Terms or any Contracts Documents as specified by such Toyota Party. Supplier’s use of the Toyota Networks is and will be deemed to be acceptance of any and all applicable terms and conditions set forth on such Toyota Networks. The Toyota Parties may, at any time, add, delete, or modify the functionality of the Toyota Networks upon notice, delivered by regular mail, e-mail, or an on-screen alert on the Toyota Networks. The Toyota Parties may terminate Supplier’s enrollment in, and use of, the Toyota Networks at any time and for any reason.

2.6 Agency Relationship. Supplier acknowledges that an agency relationship exists between certain Toyota Parties and the Toyota Party issuing the Contract Documents may be doing so as an agent of one or more of the Toyota Parties. Notwithstanding the existence of such agency relationships, nothing in the Agreement limits or restricts the right of a Toyota Party to act on its own behalf with respect to these Terms or any Contract Document.

2.7 Third Party Beneficiary. These Terms apply to the continuous and ongoing relationship between Supplier and the Toyota Parties. Each Toyota Party benefits from the relationship and is an intended third party beneficiary of the Agreement entitled to the benefits of and to enforce the Agreement, and Supplier acknowledges and agrees to the foregoing. Except as set forth in this Section 2.7, the parties do not confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns.

3. GENERAL TERMS AND CONDITIONS.

3.1 Sale of Items.

3.1.1 Generally. The Toyota Parties will specify in one or more Contract Documents the quantity and description of all Items to be purchased by a Toyota Party. A Toyota Party may request that Supplier review the then-current active parts list, and the parties will discuss and correct any identified discrepancies. Supplier also may request an active parts list, but not more than one time per calendar year.

3.1.2 Forecast Volumes. The Toyota Parties may generate Contract Documents that project Vehicle volumes or target volumes ("Forecast Volumes"). Forecast Volumes are not firm commitments or guarantees that a certain quantity of Items will be purchased by the Toyota Parties. Forecast Volumes will be superseded in their entirety by the issuance of applicable Contract Documents specifying a quantity of Items to be purchased.

3.1.3 Third Party Sales. Supplier is prohibited from selling or otherwise providing to any non-Toyota Party any parts, accessories, components, materials, or goods that utilize the Item Specifications. This restriction will survive the expiration, termination, or cancellation of these Terms or any Contract Document. This Section 3.1.3 does not restrict Supplier from selling to a third party (a) Items that the Toyota Party and Supplier have agreed in writing to be standard stock or pre-existing, non-customized software of Supplier; (b) Items that are commercially recognized as standard stock or have been established as a course of dealing by the Toyota Party and Supplier to be standard stock; or (c) any Item that the Toyota Party has agreed is eligible for sale to a non-Toyota Party.

3.2 Price.

3.2.1 Price of Items. The price for Items ("Toyota Price") will be specified by a Toyota Party in a Contract Document relating to or identifying the Items to be purchased by the Toyota Party. The Toyota Price is the total, all-in price for the Item. Unless otherwise specified in a Contract Document, Supplier will bear all of its own expenses arising from performance of its obligations under the Agreement.

3.2.2 Price of Tooling. In establishing the price to be paid for Tooling ("Tooling Price"), a Toyota Party will consider, among other things, (a) the expense of comparable Tooling for past Vehicle models, Items, and Products that are the same as or similar to the Items; and (b) reasonable and necessary variances from previous quotes provided by Supplier for such Tooling to account for changes in circumstances. The Tooling Price will be set by the Toyota Party after consultation with Supplier and will be specified in the Tooling Purchase Order.

3.2.3 Interim Toyota Price. If a Contract Document indicates that any Items are to be provided on an interim price basis, the interim Toyota Price will be applicable for such period of time as is stated in the applicable Contract Document.

3.2.4 Price Adjustments. A Toyota Party may adjust the Toyota Price at any time following consultation with Supplier.

3.2.5 Price Review. The effective date and duration of any Toyota Price will be specified in the applicable Contract Documents. The applicable Toyota Price is effective only for such time as is stated in such Contract Document and, unless otherwise agreed to by a Toyota Party in a Contract Document, all pricing agreements may be subject to an annual price review process established by the Toyota Parties. Price review will occur at times and according to procedures established by the Toyota Parties and in consultation with Supplier.

3.3 Payment.

3.3.1 Supplier Payables; Payment Procedures. A Toyota Party will pay Supplier for amounts owed and due to Supplier for Accepted Items, Accepted Tooling, and, if agreed to in a Specific Contract Document, certain Product development expenses (collectively, "Supplier Payables"). Except as otherwise designated by a Toyota Party and specified in a Contract Document, Supplier Payables arising from Accepted Tooling will be paid in a single payment. If pursuant to a Contract Document a Toyota Party is to reimburse certain expenses of Supplier, Supplier must provide sufficient documentation to substantiate such expenses (as determined by such Toyota Party), and such expenses must not include any mark-up by Supplier unless specifically authorized under the Contract Document. Payment of Supplier Payables will be in accordance with the Payment Procedures. In addition to any set-off permitted under the Agreement, the Payment Procedures may include provisions for additions to and set-offs against Supplier Payables arising in the ordinary course of dealing between the parties.

3.3.2 Conforming Invoice. Supplier will (a) issue a Conforming Invoice; and (b) accept payment for Supplier Payables at the times and in the amounts specified in the applicable Payment Procedures.

3.3.3 Payment Terms. For Supplier Payables that are not eligible for payment in the Payment System, the payment terms will be the later of (a) on or before the 25th day of the month after the month in which the Conforming Invoice is received by the Toyota Party; and (b) as otherwise specified in the Specific Contract Document issued by the Toyota Party. For Supplier Payables that are eligible for payment in the Payment System, the payment terms will be (x) 45 days after the date any Conforming Invoice is received by the Toyota Party; and (y) as otherwise designated by Supplier in the Payment System.

3.3.4 Payment Obligation of Toyota Party. Notwithstanding any other provision of the Agreement to the contrary, no Toyota Party has any obligation to make any payment of Supplier Payables or for Items (regardless of whether such Items have been accepted by the Toyota Party) unless and until the applicable Toyota Party is in receipt of a Conforming Invoice with respect to such Supplier Payables or Items. The payment of an invoice by a Toyota Party does not waive in whole or in part the right of such Toyota Party to dispute any invoice or any amount or charge appearing thereon. The Toyota Party will give Supplier notice of any such dispute and the basis thereof. For Tooling, no Toyota Party has any obligation to make any payment for Tooling unless a Conforming Invoice for such Tooling is received by the Toyota Party within 60 days after the later to occur of (a) the date the Toyota Party accepts the Item manufactured or produced by the Tooling; or (b) the date the Toyota Party issues the applicable Tooling Purchase Order. For PDAD Items, no Toyota Party has any obligation to make any payment for Product development expenses or Tooling unless a Conforming Invoice for such Product development or Tooling is received by the Toyota Party within 30 days after the Toyota Party's issuance of approval to produce and ship such PDAD Item or, if the PDAD Item program has already launched, the change notice approving the additional Product development or Tooling change. A Toyota Party may withhold payment of any Supplier Payables, regardless of whether the applicable Toyota Party is in receipt of a Conforming Invoice, (x) until it has received written confirmation, in form and substance acceptable to the Toyota Party, of the absence of any liens, security interests, or other encumbrances and claims in or against the applicable Accepted Items or Tooling; or (y) for Tooling until such time as there is a full and complete resolution of any and all production, operational, or quality problems or issues, or any other issues related to the applicable Tooling, all to the satisfaction of the applicable Toyota Party.

3.4 End of Production; All Time Buys. Supplier may not end production of an Item absent a Toyota Party's consent. Any Toyota Party may make one time purchases at the end of each production run of an Item by providing Supplier with a firm order at least 30 days prior to the last production run for any final production orders of the Item.

3.5 Set-Off. Prior to or as part of any payment to Supplier, a Toyota Party may deduct from and set off against Supplier Payables as follows: (a) any amount owed by Supplier to any Toolmaker pursuant to a Tooling Contract, and Toyota Party may pay the set-off amount directly to such Toolmaker; (b) the amount of any claims of any Toyota Party against Supplier arising out of or related to Supplier's performance of its obligations under any agreement with a Toyota Party, including the Agreement; (c) any amount due to a Toyota Party for undershipments, adjustments in invoices, credits, returns, price changes, or any other similar quantity or price reconciliation arising out of or related to the Items or Supplier's obligations under the Agreement; (d) the full amount of any disputed sum that has been previously paid if such dispute has not been resolved within 90 days after notice; (e) any amount incurred by any Toyota Party in the exercise of its rights under the Agreement, including any expenses incurred prior to or as a result of Supplier's Default; (f) the amount of any Losses incurred by any of the Toyota Indemnified Parties; or (g) any amount owed to any third party, including governmental authorities, whether by or on behalf of Supplier, which arises under or is related to the Agreement or Items, in each instance described in clauses (a)–(g) regardless of whether such amounts are liquidated or unliquidated. The amounts calculated and all records maintained by such Toyota Party will be final, absent demonstrable error. The Toyota Party will decide on the method used for determining and implementing the set-off rights set forth in the Agreement. A Toyota Party's right to deduct or set off pursuant to this Section 3.5 is not dependent or conditioned upon Supplier's receipt of any prior written notice. A Toyota Party's failure to deduct and set off any amounts pursuant to this Section 3.5 will not release Supplier from its obligation to pay the Toyota Party in full for the amount of any claim.

3.6 Delivery of Items.

3.6.1 Supplier Obligations. Supplier will (a) properly pack, mark, label, and ship Items in strict conformity with the Toyota Requirements, any applicable carrier's requirements, and Legal Requirements; (b) route deliveries of Items in strict conformity with the routing requirements of each Toyota Party; (c) deliver Items in quantities and at the time and the place specified in delivery schedules provided by a Toyota Party; (d) not charge a Toyota Party for handling, packaging, storage, or transportation of Items unless otherwise stated in the applicable Contract Documents; and (e) provide with each shipment of Items such packing slips, bills of lading, or other shipping receipts or identifying documentation that taken together allow the applicable Toyota Party to identify the Items shipped and determine that such Items have been delivered in strict conformity with the Toyota Requirements. Supplier will not initiate any change in Item packaging specifications without the applicable Toyota Party's consent.

3.6.2 Delivery Terms. Delivery terms and schedules for Items will be specified by the applicable Toyota Party in a Contract Document that expressly relates to or identifies the Items to be purchased by the Toyota Party; provided that, unless otherwise specified in a Contract Document, for any Software Item (and any updated version of such Software Item requested by a Toyota Party after an update to the specifications) (a) such Software Item must be delivered by Supplier to the Toyota Parties via electronic data transfer; (b) Software Documentation will be provided by Supplier in hard copy or electronic form as requested by the applicable Toyota Party; and (c) the Software Item will be delivered to the applicable Toyota Party in Executable Code and, if required in the applicable Contract Document, Source Code form. A Toyota Party may at any time change delivery terms or delivery schedules or direct temporary suspension of scheduled deliveries (a "Delivery Change"). Supplier will honor all instructions from a Toyota Party concerning any Delivery Change. The applicable Toyota Party will reimburse Supplier for reasonable expenses incurred as a result of any Delivery Change in such amounts and at such times as specified in a separate Contract Document. Delivery Changes will not entitle Supplier to a modification of the Toyota Price for the applicable Items affected by such Delivery Change. Unless otherwise specified in a Specific Contract Document, Items will remain in the care, custody, and control of Supplier until loaded by Supplier personnel into designated carriers and delivery of the bill of lading for such Items to the carrier's representative.

3.6.3 Expedited Shipments. A Toyota Party may require expedited or emergency shipments of Items (“Expedited Shipment”) and Supplier will comply with all instructions of such Toyota Party concerning any Expedited Shipment and use its best efforts to deliver such Items when required. Supplier must notify the applicable Toyota Party as soon as possible of the need for any Expedited Shipment. If an Expedited Shipment is required in the absence of a Delay, the Toyota Party will reimburse Supplier for the directly-related reasonable out-of-pocket expenses incurred by Supplier to provide Items to such Toyota Party at the time and in the quantities required by the applicable Contract Documents, in such amounts and at such time as specified in a separate Contract Document.

3.6.4 Overshipments; Undershipments. The Toyota Parties will have no liability for payment of Supplier Payables arising from Items delivered to a Toyota Party that exceed the quantities specified in the applicable Contract Documents. At the applicable Toyota Party’s option, the Toyota Party may, at Supplier’s expense, (a) keep all or a portion of the overshipped Items (returning the unretained portion to Supplier) and have the quantities of Items under the applicable Contract Document increased by an amount equal to the quantity of overshipped Items retained by the Toyota Party; or (b) return all of the overshipped Items to Supplier. In the case of undershipments of any Items, (y) if requested by the Toyota Party Supplier will, at its expense, immediately ship to the destination and by the time specified by such Toyota Party the additional Items needed to deliver the quantities specified in the applicable Contract Documents; or (z) the Toyota Party may elect to have the quantities of Items under the applicable Contract Documents reduced by the quantity of any undershipments, provided, however, following an election by the Toyota Party under clause (z), the Toyota Party will continue to be entitled to any volume discount pricing or tiered pricing, if applicable, as if the Toyota Party had purchased the quantity of Items that was undershipped.

3.6.5 Manufacturing Returnable Packaging. If a Toyota Party requires Returnable Packaging, the Toyota Party will reimburse Supplier for the reasonable expense of such Returnable Packaging. The Toyota Party will specify the amount to be paid for such Returnable Packaging (the “RP Costs”), timing of payment, the quantity of Returnable Packaging, and terms and conditions applicable to such Returnable Packaging in a separate Contract Document. A Toyota Party may require that Supplier acquire and use Fabricated Returnable Packaging. In such instance, the Toyota Party will designate the Fabricators, the terms and conditions for such purchases, and the applicable prices (the “FRP Prices”). The Toyota Party may (a) make payment to any applicable Fabricator (on behalf of Supplier and the Toyota Party) of any applicable RP Costs (not to exceed the applicable FRP Prices) due and payable for such Fabricated Returnable Packaging; or (b) direct Supplier to deal directly with any Fabricator and to pay the applicable RP Costs. If Supplier pays the RP Costs directly to a Fabricator, it may make a claim to the Toyota Party for reimbursement of such RP Costs. The Toyota Party will reimburse Supplier for such RP Costs, but only to the extent such RP Costs are (y) the reasonable expenses of such Fabricated Returnable Packaging; and (z) otherwise in conformity with any applicable FRP Prices and other requirements for such Fabricated Returnable Packaging established by the Toyota Party.

(a) Property Rights. Returnable Packaging will be Supplier Property unless otherwise designated by the applicable Toyota Party. Supplier hereby grants such Toyota Party an exclusive option to acquire any and all Returnable Packaging at a cost equal to the fair market value of the applicable Returnable Packaging less the RP Costs, which option may be exercised by the Toyota Party when and on such terms as the Toyota Party determines.

(b) Use. Unless otherwise agreed to by the Toyota Party in a Contract Document, Supplier is responsible for cleaning, replacing, and repairing any lost or damaged Returnable Packaging. Supplier may not sell, transfer, loan, lease, or otherwise allow any other party to use the Returnable Packaging or destroy the Returnable Packaging without the consent of the applicable Toyota Party. Supplier will use all Returnable Packaging strictly for the packaging and transportation of Items for delivery to the applicable Toyota Party, and may not use Returnable Packaging for internal transportation purposes, in-production transit of Items, shipment to or from Supplier for fabricating, coating, or any other in-production work or assembly by third parties or affiliates of Supplier, or any purpose other than delivery to the applicable Toyota Party. Supplier must comply with all Toyota Requirements relating to Returnable Packing, including the RFID container tracking process, labeling and commission

of Returnable Packaging, performing weekly cycle counts, and reconciling return shipments of Returnable Packaging all as further detailed in the Supplier Logistics Instruction Manual.

3.6.6 Inspection of Items. Subject to the Toyota Requirements and the applicable Contract Documents, Supplier is responsible for the quality control of the Items, including adequate inspection of Items prior to delivery to the Toyota Party. All Items are received subject to the applicable Toyota Party's (or its designee's) acceptance or rejection on or before the end of the Inspection Period. Neither (a) payment by a Toyota Party for Items under these Terms; nor (b) operation of the Item by a Toyota Party, whether for business, testing, profit, revenue, or for any other purpose, in each case, prior to or after the end of the Inspection Period, constitutes acceptance of an Item by the Toyota Party, nor does such payment or operation diminish Supplier's responsibility for any nonconforming Items. Neither inspection, nor failure to inspect, by a Toyota Party relieves Supplier of any obligations, representations, or Supplier's Warranties.

3.7 Rejected or Nonconforming Items.

3.7.1 Remedial Work; Replacement Items. For Rejected Items, the Toyota Party may take any one or more of the actions described in this Section 3.7.1.

(a) No Repair or Replacement. Reduce the quantity of Items under the applicable Contract Documents by the same amount as the quantity of Rejected Items, without any obligation to pay Supplier for such Rejected Items.

(b) Replacement Items. Have Supplier, at its expense and as directed by such Toyota Party, replace the Rejected Items with replacement Items to be delivered to the Toyota Party in accordance with any and all instructions provided by the Toyota Party in a Specific Contract Document.

(c) Additional Provisions for Rejected Items. If a Toyota Party has already made payment for Rejected Items, at the Toyota Party's written request, Supplier will immediately refund the purchase price for such Rejected Items and Supplier will reimburse the Toyota Party for the full amount of any shipping or other expenses incurred by it for delivery of the Rejected Items. Supplier will not replace Rejected Items unless the Toyota Party issues new Specific Contract Documents related thereto. Rejected Items will be held by the Toyota Party in accordance with Supplier's instructions and at Supplier's risk. As requested by the Toyota Party, Supplier will pay in advance for any shipping or other expenses to be incurred by such Toyota Party in connection with following Supplier's instructions. If Supplier fails to provide instructions to the Toyota Party within 10 days (or such shorter period as may be commercially reasonable under the circumstances) after notice to Supplier by the Toyota Party, such Toyota Party may charge Supplier for storage, handling, and disposal expenses and dispose of the applicable Rejected Items without any liability to Supplier therefor.

(d) Toyota Party Right to Remedial Work. Notwithstanding Section 3.7.1(a) or Section 3.7.1(b), if the Toyota Party determines that it is necessary to perform Remedial Work, the Toyota Party will notify Supplier thereof. If Supplier elects to perform the Remedial Work, at its expense, Supplier must promptly notify the Toyota Party of its election (but in no event later than 48 hours following the Toyota Party's notice), subject to the Toyota Party's determination that Supplier is capable of performing the Remedial Work. If Supplier does not elect to perform, or the Toyota Party determines Supplier is not capable of performing, the Remedial Work, the Toyota Party may elect to have the Remedial Work performed by a Toyota Party or a third party, at Supplier's expense. Toyota Party, at its election, may set off the expense of such Remedial Work against the amounts otherwise due to Supplier pursuant to Section 3.5 or charge Supplier separately pursuant to a Contract Document. The Toyota Party is not deemed to have accepted any Rejected Item unless and until such Item is fully repaired in accordance with the Toyota Requirements and the Agreement and such Item is specifically accepted in writing by the Toyota Party after completion of all Remedial Work.

3.7.2 Software Item Defects. For Rejected Items that are Software Items, in addition to any other remedies available to the Toyota Party, the Toyota Party may give Supplier notice of non-acceptance and

thereafter, at the Toyota Party's option, (a) return the software to Supplier, and Supplier must refund to the Toyota Party all amounts, if any, paid for such software or development; (b) require Supplier to revise the Software Item to correct any Software Flaw identified during the Inspection Period; or (c) obtain the software and related services from another supplier. If the Toyota Party requires Supplier to correct the Software Item, Supplier will do so promptly (but in no event later than five business days, or such shorter period as may be necessary under exigent circumstances, following such request from the Toyota Party) and then such Toyota Party will have a subsequent Inspection Period within which to test the Software Item as outlined in these Terms. The processes described in this Section 3.7.2 will be repeated to the extent further corrections are requested by the Toyota Party. No Toyota Party is required to accept any Software Item in the absence of delivery of full and complete Software Documentation for such Software Item.

3.7.3 Notice of Nonconforming Items. Supplier must provide the Toyota Party notice within 48 hours after discovering any defective or nonconforming Items that such Items are defective or nonconforming and preliminarily identify the defect or nonconformity and the reason therefor. Promptly after such discovery (but in no event later than five business days following such discovery), Supplier must provide a subsequent notice to the Toyota Party that (a) formally identifies the defect or nonconformity and the reason therefor; (b) states whether the defective or nonconforming Item can be corrected, describing in detail the means required to correct the Item; and (c) estimates the time required to make the necessary corrections. Upon receipt of such notice, the Toyota Party may, as to any defective or nonconforming Item, (x) accept it; (y) allow Supplier to correct the Items at Supplier's expense; or (z) direct Supplier to scrap the Item.

3.8 Delay.

3.8.1 Notification of Delay. If, at any time, Supplier has reason to believe that the delivery of any Items may not be made in strict conformity with applicable delivery terms and schedules ("Delay"), Supplier will immediately notify the applicable Toyota Party, explaining the cause for the anticipated Delay.

3.8.2 Substitute Items or Providers. During the period of Delay, Supplier must (a) use its best efforts to provide the Items required in the applicable Contract Documents from other sources ("Substitute Items"); and (b) reduce the quantity of Items to be delivered under such Contract Document by the quantity of Substitute Items, all without expense or liability to the Toyota Party. If Supplier is unable to remedy the Delay within a commercially reasonable period, Supplier, upon consent of the Toyota Party, may engage a substitute provider as a subcontractor to complete the delivery of the Items. If Supplier delivers Substitute Items or uses any substitute providers, Supplier will remain liable for any breach of the Agreement to the same extent that Supplier would be liable if Supplier had manufactured or delivered the Substitute Items or Items directly. Supplier will be solely responsible for payment of all freight charges and other expenses associated with the Substitute Items or the substitute providers.

3.8.3 Right to Acquire Alternative Products. In the event of a Delay, the applicable Toyota Party may immediately acquire substitute or replacement Products from one or more alternate sources ("Alternative Products"). In such event, the Toyota Party may elect to have the quantities of Items under the applicable Contract Documents reduced by the quantity of Alternative Products acquired from the alternate source, and the Toyota Party will not have any obligation to purchase, or pay Supplier for, the quantity of Items so reduced unless Toyota Party elects to do so in new Contract Documents issued by such Toyota Party.

3.9 Force Majeure.

3.9.1 Force Majeure Event. Except as otherwise set forth in Section 3.9.3, any delay or failure of Supplier to perform its obligations under the Agreement will not constitute a Default if, and only to the extent that, Supplier's delay or failure to perform is caused by a Force Majeure Event. Supplier must (a) give the applicable Toyota Party notice (i) of such Force Majeure Event (including the anticipated duration of any delay) within 10 days after such Force Majeure Event, and (ii) when Supplier is no longer impacted by such Force Majeure Event; and (b) use best efforts to (i) continue to meet its obligations during the Force Majeure Event, and (ii) timely provide the

Items to the Toyota Parties, and in no event may Supplier provide the Items to the Toyota Parties later than similar goods provided by Supplier to its other customers. The suspension of any obligations may only last during the continuation of the Force Majeure Event (and such reasonable time thereafter to allow Supplier to respond to such Force Majeure Event). During the period of such delay or failure to perform by Supplier, the provisions of Section 3.8.3 apply.

3.9.2 *Supplier's Obligations During Force Majeure Event.* If requested by a Toyota Party, Supplier will, within 10 days after such request, provide adequate assurances that the delay or failure to perform will not exceed 30 days. If a Force Majeure Event is reasonably anticipated, Supplier will, at its expense, take such actions as are necessary to ensure the uninterrupted supply of Items to the applicable Toyota Party, as provided by the applicable Contract Documents, for a period of at least 30 days and will report to the Toyota Party the projected expenses to comply with this obligation ("Projected Force Majeure Expenses"). If the Projected Force Majeure Expenses will cause a financial hardship to Supplier, the Toyota Party agrees to negotiate a reasonable allocation of the Projected Force Majeure Expenses between such Toyota Party and Supplier. If the delay or failure to perform lasts (or the Toyota Party determines that it reasonably could last) more than 30 days or Supplier does not provide adequate assurances that the delay or failure to perform will cease within 30 days, the Toyota Party may immediately (a) cancel or modify any and all outstanding Contract Documents; or (b) adjust, suspend (in whole or in part), or modify the performance of Supplier under the terms of any outstanding Contract Documents, all in an effort to adjust the timing and quantity of Items being provided by Supplier to the Toyota Parties to account for the Force Majeure Event. The decision if and when to resume Supplier performance under the applicable Contract Documents, and the terms of such resumption, will be made by the Toyota Party.

3.9.3 *Labor and Supply Problems Not a Force Majeure Event.* Notwithstanding anything in Section 3.9 to the contrary, no delay or failure of Supplier to perform its obligations under the Agreement will be considered a Force Majeure Event, and such delay or failure to perform will not be excused, if and to the extent that it is caused by (a) labor problems of any Supplier Party such as, by way of example and not by way of limitation, lockouts, strikes, and slowdowns; or (b) the inability of any Supplier Party to obtain power, material(s), components, parts, labor, equipment, or transportation.

4. TOOLING TERMS AND CONDITIONS. This Section 4 applies only to the Items that are Tooling and not to any other Items. To the extent any conflict arises between this Section 4 and other Sections of these Terms, this Section 4 controls with regard to Tooling.

4.1 *Acquisition of Tooling.*

4.1.1 *Tooling Authorization.* Supplier will not commence, or authorize the commencement of, cutting or other work on Tooling until Supplier receives a Tooling Authorization.

4.1.2 *Tooling Completion Date.* Supplier is solely responsible, at its expense, for ensuring any Tooling is completed on or before the Tooling Completion Date; provided that, for purposes of this Section 4.1.2 only, a Force Majeure Event experienced by a Toolmaker whose performance is necessary for Supplier to meet the Tooling Completion Date will be treated as a Force Majeure Event of Supplier, subject to the terms of Section 3.9.

4.1.3 *Rescheduling.* The applicable Toyota Party may either shorten or extend the Production Timetable. If such rescheduling occurs and results in a shorter Production Timetable, and such shorter Production Timetable has or will result in a material increase or decrease in the cost of the Tooling or a materially sooner Tooling Completion Date, the Toyota Party and Supplier will negotiate a reasonable allocation of such expenses or other equitable adjustment of the relationship between the parties. Any Tooling Price adjustment will be evidenced by a new or revised Tooling Purchase Order or other Specific Contract Document.

4.1.4 *Cancellation.* Subject to Section 3.9, a Toyota Party may immediately cancel the Tooling Purchase Order and any other applicable Contract Documents if such Toyota Party reasonably concludes that a Delay

in meeting the Production Timetable (a) will extend more than 30 days; or (b) cause Supplier or the Toolmaker to miss the Tooling Completion Date.

4.2 Ownership of Tooling. All Tooling is solely and exclusively the property of the Toyota Parties. When Tooling is in the possession of Supplier or a Tooling Third Party, such possession is a bailment. Supplier will prominently mark and identify the Tooling as property of the Toyota Parties by utilizing asset tags or other identifying materials in accordance with the Toyota Requirements. With the consent of the applicable Toyota Party, Supplier may maintain Tooling on the premises of a Tooling Third Party on the terms and conditions established by such Toyota Party in the applicable Specific Contract Documents. Tooling will not be commingled with other property of Supplier (or that of any Tooling Third Party). Supplier, at its expense, will maintain the Tooling in good condition and repair in accordance with the Toyota Requirements, and Supplier will immediately replace any component of the Tooling that is lost, destroyed, or worn out. The Toyota Party and Supplier will negotiate the price to be paid for any replacement Tooling in the event Tooling is in need of replacement.

4.3 No Sale of Tooling. Supplier is expressly prohibited from selling any Tooling to a Tooling Third Party or any other third party at any time. This prohibition will survive the expiration, termination, or cancellation of these Terms or any applicable Tooling Authorization, Tooling Purchase Order, or other Contract Document.

4.4 Supplier Owned Toyota Production Tooling. If a Toyota Party deems it to be advisable or necessary and so directs, Supplier will purchase and own Tooling to be used solely for the production of Items for the Toyota Parties ("Supplier Owned Toyota Production Tooling"), all pursuant to these Terms and as set forth in such Contract Documents as a Toyota Party may designate. Supplier may charge the amount paid for any Supplier Owned Toyota Production Tooling ("SPT Costs") to the Toyota Party as a Supplier Payable in accordance with Section 3.3. Any Supplier Owned Toyota Production Tooling is the property of Supplier unless otherwise designated by the Toyota Party. Supplier hereby grants the Toyota Parties an exclusive option to acquire any and all Supplier Owned Toyota Production Tooling at an amount equal to the fair market value of the applicable Supplier Owned Toyota Production Tooling less the SPT Costs, which option may be exercised by any Toyota Party at such times and on such terms as are determined by the Toyota Party.

4.5 Status of Tooling. If Supplier acquires Tooling from a Toolmaker, Supplier will ensure that the Toyota Parties are third party beneficiaries under, and with respect to, any agreement between Supplier and the Toolmaker regarding such Tooling ("Tooling Contract").

4.6 Use; Removal of Tooling. All Tooling will be used exclusively for the Toyota Parties' benefit, and Supplier represents, warrants, and covenants that it will not use Tooling or Supplier Owned Toyota Production Tooling to manufacture, produce, or supply Items for or to any non-Toyota Party. A Toyota Party may remove Tooling from Supplier's premises at any time in the event of (a) Supplier's Default or (b) cancellation, expiration, or termination of these Terms or any applicable Contract Documents. Supplier will not remove Tooling from Supplier's premises without the applicable Toyota Party's consent and otherwise in compliance with Section 6.11.

4.7 Additional Remedies. If there is any Default by Supplier under, or cancellation or termination of, any Tooling Authorization, Tooling Purchase Order, any other applicable Contract Document related to Tooling, or these Terms, the Toyota Parties will be entitled to exercise any of the remedies set forth below in addition to any other remedies set forth in the Agreement.

4.7.1 Direct Dealings with Toolmaker. The Toyota Parties may deal directly with any Toolmaker, including (a) assuming the Tooling Contract or entering into a contract directly with the Toolmaker for the completion of the Tooling; and (b) making payments to the Toolmaker, with all amounts paid to the Toolmaker being credited against any amounts still due and owing to Supplier. If the Toolmaker completes the Tooling and is paid in full for such work by a Toyota Party, the payment(s) to the Toolmaker will fully satisfy and discharge any additional amounts due to Supplier, regardless of the original agreed-upon price or the actual amount paid to the Toolmaker. If the Toolmaker completes the Tooling and is paid more than the original agreed-upon price due to

Supplier's Default and in order to complete the Tooling, the Toyota Party will have a claim against Supplier for such price difference.

4.7.2 Possession of Tooling. Upon a Toyota Party's demand, Supplier will (a) immediately stop production or use of any Tooling; (b) assemble the Toyota Party's Tooling and segregate it, including the removal of Tooling from presses or other machinery; and (c) allow any Toyota Party (or its designee) to immediately take possession of the Tooling, including by entering onto Supplier's premises or requiring Supplier to pack and ship the Tooling, at Supplier's expense, to a destination selected by a Toyota Party.

5. CONTINUING TERMS AND CONDITIONS.

5.1 Changes to Items.

5.1.1 Required Changes. The Toyota Parties may at any time direct changes to the Items (e.g., the Toyota Requirements, engineering, design, or other changes) (collectively, "Required Changes") as specified in a Contract Document, and Supplier will make such Required Changes in conformity with such Contract Document. Required Changes may extend to drawings and specifications for the Items or the scope of work covered by the applicable Contract Documents, including such matters as inspection, testing, quality control, and other matters pertaining to the production of Items.

5.1.2 Adjustments for Required Changes. If Required Changes result in an increase or decrease in the expense of the Item or the time for performance by Supplier, the applicable Toyota Party and Supplier will negotiate a reasonable allocation of such expenses or other equitable adjustment. Any such adjustment will be specified in a new or revised Contract Document.

5.1.3 No Supplier Changes Without Consent. Supplier may not make any changes to the Items, including changes in engineering, design, materials, ingredients, component sourcing, production, process, suppliers, or other changes, without the Toyota Parties' review and consent.

5.2 Service Parts.

5.2.1 Current Model Service Parts. Supplier will manufacture, process, produce, and supply Items designated by the Toyota Parties as service parts for Current Models ("Current Model Service Parts") at such times and in such quantities as are necessary to allow the Toyota Parties to fulfill Current Model service and replacement parts requirements.

5.2.2 Past Model Service Parts. Supplier will manufacture, process, produce, and supply to the Toyota Parties the Current Model Service Parts and any other Items designated by the Toyota Parties (collectively, the "Past Model Service Parts") for the PMSP Period. Supplier will produce Past Model Service Parts at such times and in such quantities as are necessary to allow the Toyota Parties to fulfill their applicable past model Vehicle service and replacement parts requirements.

5.2.3 Price for Service Parts. Unless otherwise agreed to by a Toyota Party in a Contract Document, Service Parts will be produced, sold, and delivered to the Toyota Parties at the standard production piece price, on the standard production payment and delivery terms, and otherwise in conformity with the provisions of Section 3, all as specified in a Contract Document.

5.2.4 Responsibility for Production Expenses and Other Matters. Supplier is solely responsible for all expenses incurred to maintain the equipment, raw materials, tooling, and other assets as are necessary to produce Service Parts and is responsible for complying with the Toyota Requirements applicable to Service Parts. Subject to Section 6.11 and with the applicable Toyota Party's consent and pursuant to its instructions, Supplier is responsible for disposing of any remaining Service Parts and accompanying dies, tooling (including Tooling), and raw materials at the end of the PMSP Period.

5.2.5 Service Part Literature. Upon a Toyota Party's reasonable request, Supplier will, at no expense to the Toyota Party, provide service literature and other written materials concerning Service Parts ("Service Part Literature") in order to support all Service Part sales activities and programs of the Toyota Parties. If the expense of providing Service Part Literature to the Toyota Party will cause a financial hardship to Supplier, the Toyota Party agrees to negotiate a reasonable allocation of such expense between the Toyota Party and Supplier.

5.2.6 PMSP Period Changes. The Toyota Parties may, subject to reasonable prior notice to Supplier, modify the PMSP Period (to either shorten or lengthen the PMSP Period) as business circumstances, marketing, sales, and other production issues require, all as determined on the basis of the reasonable business judgment of the Toyota Parties.

5.3 Compliance with Legal Requirements and Toyota Requirements.

5.3.1 Compliance with Applicable Laws. Supplier represents, warrants, and covenants that it and all Items will comply with all Legal Requirements. As part of the Legal Requirements, Supplier represents, for itself and for its Representatives and subcontractors, that it has not and does not use slave, prisoner, child, or any other form of forced or involuntary labor in the design, development, engineering, manufacture, processing, production, delivery, or supply of Items to or for the Toyota Parties under the Agreement. If a Toyota Party requests that Supplier comply with the Legal Requirements of additional specific jurisdictions, Supplier must promptly so comply on terms and conditions to be agreed to by the parties. Supplier must obtain all necessary licenses, permits, certifications, and approvals and give all stipulations, certificates, and representations, in each case as necessary, in connection with its performance under the Agreement.

5.3.2 Trade Laws.

(a) Compliance. Supplier will notify the Toyota Parties immediately of any (i) obstacle to compliance with the Trade Laws; or (ii) actual non-compliance with Trade Laws by Supplier involving any Item. Among other requirements of the Trade Laws, Supplier may not, without prior U.S. government license or other authorization, export, re-export, or transfer any Items, or software or technology related to any Items, either directly or indirectly, to any country or territory that is subject to a comprehensive U.S. sanctions regime, or in contravention of any other U.S. sanctions in effect, or to or for any person or entity that is listed on any Restricted Party Lists. Neither Supplier, nor any of its Representatives, (1) is owned or controlled by a Prohibited Person; or (2) directly or indirectly, has conducted, conducts, or will conduct any business or other dealings involving any Prohibited Person. Without limiting the generality of the foregoing, Supplier represents, warrants, and covenants that neither Supplier, nor any party acting for or on behalf of Supplier will, directly or indirectly, pay, offer, give, authorize, or promise any Payment to any Foreign Official (which includes the receipt by or the intention to provide something of value to a relative, friend, or associate of any Foreign Official) on behalf of or for the benefit of either any Toyota Indemnified Party or Supplier if such Payment could be construed as violating any of the Trade Laws, the Legal Requirements of any applicable jurisdiction, or any Legal Requirements applicable to any Toyota Indemnified Party or Supplier.

(b) License, Authorizations, Certifications, and Related Information. Licenses, certifications, or authorizations necessary for the import or export of Items are Supplier's responsibility unless otherwise provided in applicable Contract Documents, in which event Supplier will provide such information (to include Export Control Classification Numbers, United States Munitions List ("USML") Category, Harmonized Tariff Schedule of the United States codes, technical specification sheets, and such other information requested by a Toyota Party) to the applicable Toyota Party to enable such Toyota Party to obtain such licenses, certifications, or authorizations.

(c) Provision of Export Controlled Item or Information. Supplier will notify the Toyota Parties in advance of any Item or information that will be transmitted to a Toyota Party that is (i) classified above the EAR99 designation under the Export Administration Regulations ("EAR"); (ii) designated for control other than for Anti-Terrorism under the EAR; or (iii) found on the USML.

(d) Imports. Supplier will arrange for and perform such actions as are requested by a Toyota Party for any Items that may qualify under a duty deferral or free trade program of the country of import for all applicable Items. Supplier agrees to (i) comply in a timely and accurate manner with all requests for information regarding or verification of country of origin; (ii) prepare a timely and accurate invoice, where applicable, that meets the invoice requirements of the origin and destination countries; and (iii) notify the applicable Toyota Party of any errors or omissions in any of the foregoing immediately upon discovery. A Toyota Party may, at its option, direct entry of all Items in bond to a foreign-trade zone or subzone instead of a consumption entry. In the absence of contrary instructions in a Contract Document, Supplier will arrange for a consumption entry prior to sale to a Toyota Party.

(e) Supply Chain Security. Supplier agrees to meet certification requirements and participate in government supply chain security programs (e.g., United States Customs and Trade Partnership Against Terrorism) in each country where Supplier manufactures, assembles, produces, or exports goods for or on behalf of any Toyota Party.

(f) Notification. Supplier will immediately notify the applicable Toyota Party of any proposed changes to Supplier's supply chain that may impact Supplier's ability to comply with Trade Laws or any of the requirements and obligations identified in this [Section 5.3.2](#) or in any Contract Document. Such Toyota Party may review and approve or disapprove of any and all such supply chain changes that may impact, directly or indirectly, the Toyota Party.

5.3.3 Testing; Certifications. Supplier will perform (or have performed on its behalf), at its expense and in a manner satisfactory to the Toyota Parties, all testing, inspections, analyses, and certifications reasonably required to determine that all Items comply with all Legal Requirements and Toyota Requirements (collectively, "[Testing and Certification](#)"). A Toyota Party may determine, in consultation with Supplier, what Testing and Certification are required to ensure compliance with all Legal Requirements and Toyota Requirements; provided, however, that in no event will such determination relieve Supplier of its obligation to comply with all Legal Requirements. Supplier will provide to the Toyota Parties originals or copies, as required by the Toyota Party, of the test reports or other written materials used to obtain or maintain compliance with all Legal Requirements and Toyota Requirements as soon as they are available, or as otherwise required by any Legal Requirement (but in no event later than the deadline specified in the applicable Contract Documents).

5.3.4 Ongoing Compliance. If requested by a Toyota Party, Supplier will certify to the Toyota Party in writing that Supplier is in compliance with all Legal Requirements and Toyota Requirements and that all Testing and Certification have been performed and completed, and will provide the Toyota Party with copies of state, federal, international, provincial, local, and applicable foreign country or other jurisdiction certifications, permits, approvals, and any other documentation that evidences that the Items satisfy all Legal Requirements and Toyota Requirements.

5.4 Environmental Reports; Other Information.

5.4.1 Environmental Reports. Supplier must provide the Toyota Parties with the applicable Environmental Reports before the earliest to occur of (a) shipment of any Item; (b) within 30 days after a Toyota Party's request; or (c) the date designated in a Contract Document. Environmental Reports are Confidential Information. Supplier must promptly (but no later than as required by Legal Requirements) provide to the Toyota Parties any new Environmental Reports and any modifications, amendments, or supplements to existing Environmental Reports to ensure (x) continuing compliance with Legal Requirements and (y) the accuracy and completeness of the Environmental Reports, including, after obtaining any necessary consents pursuant to [Section 5.1.3](#), as a result of any changes in materials or ingredients in Items. For all Items to be delivered to any location in Mexico as designated by a Toyota Party, Supplier must timely provide the Toyota Party with all applicable Environmental Reports translated to Spanish, or otherwise provide the Toyota Party with such documents in English and Spanish, or in accordance with such other instructions as the Toyota Party may designate. To the extent the

applicable Environmental Report is translated, Supplier is responsible for such translation and remains responsible for any problems or issues resulting from such translation.

5.4.2 Additional Information. Supplier must notify the Toyota Parties immediately upon obtaining any information or indications that Items supplied, or to be supplied, by or on behalf of Supplier have hazardous characteristics, regardless of the information set forth in any Environmental Reports. If requested by a Toyota Party, Supplier must provide the Toyota Party with any other information it reasonably requests concerning the ingredients, composition, manufacturing processes, or materials in or included as part of any Items.

5.5 Property of the Parties.

5.5.1 Supplier Property. Supplier will, at its expense, provide, maintain, keep in good condition, and replace when necessary or prudent all of Supplier's Property necessary for the production of Items in conformity with the Toyota Requirements and the Agreement. The expense of changes to Supplier Property required by any Toyota Party, whether for Required Changes or otherwise, will be paid by Supplier.

5.5.2 Toyota Property. All Tooling and other Property of the Toyota Parties that is provided to Supplier, or for which Supplier has been reimbursed, by or on behalf of any Toyota Party (except for Supplier Owned Toyota Production Tooling) ("Toyota Property"), will be and remain Toyota Property and, as applicable, be deemed a bailment. Supplier will bear the risk of loss of and damage to all Toyota Property. Toyota Property will be used solely by Supplier to perform under the Agreement and not for any other purpose. Toyota Property may not be moved from Supplier's premises or possession or substituted with any other property without the consent (which may be withheld) of the applicable Toyota Party.

5.5.3 Identification of Toyota Property. At Supplier's expense, Toyota Property must be marked by Supplier as "PROPERTY OF [insert applicable Toyota Party name]," or as otherwise directed by a Toyota Party. Toyota Property must be stored and maintained at Supplier's expense apart from Supplier Property (and not commingled with Supplier Property or the property of any third party), free of liens and encumbrances, and in good condition.

5.5.4 No License. Performance by Supplier under the Agreement will not transfer any rights of ownership in, or license of, or constitute permission granted by any Toyota Party to Supplier to use (a) any Toyota Property; or (b) any Toyota Intellectual Property, in each case except (y) if otherwise consented to by a Toyota Party; or (z) to the extent necessary for Supplier to produce the Items and to fulfill its obligations under the Agreement.

5.5.5 Return of Toyota Property. Upon the request of any Toyota Party, all Toyota Property (except Toyota Property that has been consumed or otherwise disposed of with such Toyota Party's consent) must be immediately released or returned to the Toyota Party or delivered by or on behalf of Supplier to the Toyota Party or its designee, in accordance with the Toyota Requirements and the Agreement. As more fully set forth in Section 6.10, Supplier hereby waives any statutory or other lien or lien rights it may have against or in any property or rights of any Toyota Party (including any Toyota Property) for work performed on any such property or otherwise. When any Toyota Property is no longer reasonably necessary for Supplier to perform under the Agreement, Supplier will return all such Toyota Property (except Toyota Property that has been consumed or otherwise disposed of with the Toyota Party's consent) to the Toyota Party or its designee at Supplier's expense.

5.6 Confidential Information.

5.6.1 Protection and Non-Disclosure of Confidential Information. Supplier and the Toyota Parties anticipate exchanging Confidential Information in connection with the Purpose. As between Supplier and the Toyota Parties, all Confidential Information remains the property of the Disclosing Party. This provision does not restrict or limit a Toyota Party from using Confidential Information provided by Supplier in documents or reports prepared and submitted by such Toyota Party to governmental agencies in order to comply with Legal Requirements. A Toyota Party may disclose Confidential Information to any other Toyota Party. The Recipient will keep confidential

and not disclose the nature or content of the Confidential Information to any third party or use the Confidential Information except to the extent necessary for the Purpose; provided, however, that the Recipient may disclose Confidential Information (a) to its Representatives to the extent reasonably necessary to fulfill its obligations under the Agreement; (b) to its affiliates, parents, and subsidiaries who clearly need such information for the purpose of supporting design, development, engineering, procurement, and supply chain activities between Supplier and the Toyota Parties; or (c) to any person or entity for the purpose of designing, engineering, manufacturing, producing, researching, selling, marketing, or developing Products (including any Product into which an Item is incorporated or which is incorporated into an Item) or Vehicles for the benefit of the Toyota Parties, in each instance described in clauses (a)–(c) only to those persons or entities that are bound by written or professional confidentiality and non-use obligations encompassing the Confidential Information that are at least as restrictive as those in this Section 5.6. Each Recipient will, and will cause its other related Recipients to, take commercially reasonable measures to protect and safeguard the Confidential Information (which measures must, in all instances, be at least as stringent as those the Recipient takes to protect its own confidential and proprietary information of like nature). The Recipient must reproduce the Disclosing Party's proprietary rights notices on any approved copies in the same manner in which the notices appeared on the original. The Recipient may not reverse engineer, disassemble, or decompile any prototypes, software, or other tangible or intangible items that reflect the Disclosing Party's Confidential Information. Notwithstanding the foregoing, Supplier will not disclose Confidential Information to any Recipient that is a competitor to any Toyota Party.

5.6.2 Permitted Legal Disclosures. If it is a Legal Requirement for the Recipient to disclose any Confidential Information, such disclosure will not be considered a breach of these Terms or a waiver of confidentiality for other purposes; provided, however, that, to the extent not prohibited by Legal Requirements (including any open records or similar Legal Requirements applicable to governmental entities), the Recipient provides the Disclosing Party with prompt notice of that requirement, and the Recipient does not disclose any Confidential Information until the Disclosing Party has had the reasonable opportunity to seek a protective order or other appropriate relief to curtail any disclosure. If the Recipient is prohibited by Legal Requirements from informing the Disclosing Party of such disclosure, the Recipient and its Representatives must undertake reasonable efforts to limit the release. In all cases, the Recipient must reasonably cooperate with the Disclosing Party in its efforts to seek a protective order or other appropriate relief. If the Disclosing Party's efforts are unsuccessful or if the Disclosing Party waives its right to seek relief, the Recipient may disclose only that portion of the Confidential Information that, on the advice of its counsel, is legally required to be disclosed.

5.6.3 Item Specifications and Data. Notwithstanding anything to the contrary in this Section 5.6 or Section 5.7, Supplier agrees that (a) Item Specifications are Toyota Intellectual Property and Confidential Information of the Toyota Parties; and (b) any information or data regarding the incorporation of Products into Items or Items into Vehicles (including customizations requested by a Toyota Party), and any data regarding such Item's performance within Vehicles or during testing in accordance with these Terms, are the property and Confidential Information of the Toyota Parties.

5.6.4 Breach; Remedies. The Recipient will promptly notify the Disclosing Party of any breach or threatened breach of this Section 5.6 by the Recipient. Supplier and the Toyota Parties are each responsible for their respective Recipients' acts and omissions in connection with the Confidential Information to the same extent as if they were the acts or omissions of Supplier or a Toyota Party, as applicable. Supplier and the Toyota Parties acknowledge and agree (for themselves and for their Recipients) that the Disclosing Party's remedy at law for a breach or threatened breach of any of the provisions herein may be inadequate. If any Recipient breaches or threatens to breach this Section 5.6, the Toyota Parties and Supplier each agree (for themselves and for their respective Recipients) that the Disclosing Party is entitled to seek any form of remedy available without the requirement of posting bond.

5.6.5 Survival of Obligations. The nondisclosure obligations set forth in this Section 5.6 will survive the termination, expiration, or cancellation of these Terms or any applicable Contract Document.

5.6.6 Return or Destruction of Confidential Information. Subject to the next sentence, upon the Disclosing Party's request, each Recipient will, and will cause any other applicable Recipient to, promptly return to the Disclosing Party (or destroy, at the Recipient's option) all Confidential Information and copies thereof, and, upon request, certify in writing to the return or destruction of the same. Notwithstanding the foregoing, each Recipient may retain (a) the minimum amount of Confidential Information necessary to comply with its reasonable written document retention policies and Legal Requirements; and (b) Confidential Information only to the extent that the information is located in archives on backup servers not readily accessible by the Recipient. Regardless of the return or destruction of any Confidential Information, each Recipient will continue to be bound by their obligations under the Agreement, in accordance with Section 5.6.5.

5.7 Intellectual Property; Data.

5.7.1 Toyota Intellectual Property. The Toyota Parties do not transfer or grant to Supplier any rights with respect to any Intellectual Property of the Toyota Parties ("Toyota Intellectual Property") other than the limited right to use such Toyota Intellectual Property (which right is not a license) strictly and solely in conjunction with the Purpose and Supplier's performance of the Agreement. Any modifications or improvements to any Toyota Intellectual Property, even if such modification or improvement is recommended or made by Supplier, will be Toyota Intellectual Property.

5.7.2 Supplier Intellectual Property. Supplier does not transfer or grant to the Toyota Parties any rights with respect to any Intellectual Property of Supplier ("Supplier Intellectual Property") other than the Licenses or as otherwise agreed to in writing and signed by the parties. Supplier Intellectual Property does not include Item Specifications. Except as otherwise set forth in a Supplemental Development Agreement, any modifications or improvements to any Supplier Intellectual Property will be Supplier Intellectual Property.

(a) Production License. Supplier hereby grants to the Toyota Parties a non-exclusive, paid-up, royalty-free, worldwide license, with rights to grant sublicenses to any other Toyota Party, to use Supplier Intellectual Property solely (i) in conjunction with the use of any Tooling manufactured, designed, or developed by or for Supplier; (ii) in conjunction with or as required for use of the Item Specifications; and (iii) in connection with or as required for use of Items in Toyota Production (collectively, the "Production License"). The Production License will continue until the program for which the Item was sourced has concluded (including any PMSP Period).

(b) Software License. Supplier hereby grants to the Toyota Parties a non-exclusive, paid-up, royalty-free, transferrable, perpetual, irrevocable, worldwide license, with rights to grant sublicenses to any other Toyota Party (or its designee), to use Software Items solely (i) in conjunction with the use of any Tooling manufactured, designed, or developed by or for Supplier; and (ii) in connection with Toyota Production (collectively, the "Software License"). For clarity, the Software License includes the right for a Toyota Party or its designees to (1) use, test, transfer, configure, enhance, and support any Software Items; and (2) integrate such Software Item with (and use it in conjunction with) other software, programs, routines, and subroutines developed or acquired by the Toyota Parties.

(c) Rights to Supplier Intellectual Property Upon Supply Delay. Supplier hereby grants to the applicable Toyota Party, for the limited period set forth below, a non-exclusive, paid-up, royalty-free, worldwide license, with rights to grant sublicenses to any other Toyota Party (or its designee), to use Supplier Intellectual Property (i) in conjunction with the use of any Tooling manufactured, designed, or developed by or for Supplier; and (ii) as required for use of Items in Toyota Production (collectively, the "Continued Supply License"); provided, however, that, consistent with Section 3.8.2, the Continued Supply License is exercisable solely in the event any Toyota Party determines there is a substantial likelihood that any Toyota Production will be imminently interrupted as a result of any actual or perceived inability of Supplier to deliver Items in strict conformity with the applicable delivery schedules, regardless of whether such actual or perceived inability is the result of a Force Majeure Event. The applicable Toyota Party will require any third party to whom Supplier Intellectual Property is disclosed pursuant to the Continued Supply License to be bound by confidentiality and non-use obligations encompassing such

Supplier Intellectual Property that are at least as restrictive as those set forth in [Section 5.6](#). The Continued Supply License will continue until the earliest to occur of the time when (1) the applicable Toyota Party determines that Supplier is capable of delivering a continuous supply of Items in strict conformity with the applicable delivery schedules; (2) the applicable Toyota Party can locate an Alternative Product to replace the Items (in which case, the Continued Supply License will continue until the Toyota Party receives the sufficient delivery of such Alternative Products to maintain Toyota Production); or (3) the program for which the Item was sourced has concluded (including any PMSP Period).

5.7.3 RDDP Activity. In the event that a Toyota Party has sourced Supplier and issues, or has issued, a Request for Design & Development of Parts and associated documentation to Supplier that identifies the Items to be designed and developed by Supplier for the designated sourced program (collectively, “RDDP”), the terms and conditions for RDDP Activity as specified on [Schedule A](#) will apply.

5.7.4 Supplemental Development Agreement. If a Toyota Party requests that Supplier develop, or Supplier and a Toyota Party jointly develop, a design or other proprietary Item for a Toyota Party (“Developed Item”), the parties agree that the control, use, and ownership of the Developed Item will be governed by a supplemental development agreement, to be mutually agreed upon by the parties (the “Supplemental Development Agreement”). To the extent that the Supplemental Development Agreement conflicts with any of the terms in this [Section 5.7](#), the Supplemental Development Agreement will control.

5.7.5 Other Information. At a Toyota Party’s request and subject to [Section 5.6](#), Supplier will provide such Toyota Party with any other information and data of Supplier that such Toyota Party may request with regard to the design, manufacture, engineering, transportation, installation, operation, or maintenance (including repair) of any Items, or any other aspect of the Item and its relationship to the Toyota Requirements or other Products, including as may be necessary for use of the Licenses.

5.7.6 Rights in Data. As between the Toyota Parties and Supplier, all data created, collected, generated, stored, transmitted, or otherwise processed by any Item (“Item Data”) is and will remain the property of the Toyota Parties. Supplier will have no rights in or to such Item Data or any other data of the Toyota Parties except as expressly set forth in the Agreement. Supplier (a) will not collect, obtain, transmit, access, copy, or receive any Item Data from an Item, either directly or indirectly, including through the use of automated reporting routines or other automated means or through functionality contained within the Item; and (b) agrees that, if Supplier is to receive any Item Data, it must obtain the Toyota Party’s consent (which consent may be conditioned and subject to a separate agreement between the parties) and receive the Item Data directly from a Toyota Party.

5.7.7 Bankruptcy and Intellectual Property. Supplier and the Toyota Parties hereby acknowledge and agree that the Agreement involves rights in and to “intellectual property,” as that term is defined by the United States Bankruptcy Code. If Supplier files or otherwise becomes the subject of any case under United States federal bankruptcy laws (or any applicable provision of similar nature or effect under the law of any other country or jurisdiction), the Toyota Parties will retain all rights and remedies afforded to them pursuant to Section 365(n) of the United States Bankruptcy Code and all other applicable provisions of bankruptcy law (and to any applicable provision of similar nature or effect under the law of any other country or jurisdiction), the terms and conditions of these Terms notwithstanding. All rights and licenses granted under or pursuant to the Agreement by Supplier to a Toyota Party are, and will otherwise be deemed to be, for purposes of Canada’s Companies’ Creditors Arrangement Act (“CCAA”) and Bankruptcy and Insolvency Act (“BIA,” and together with the CCAA, collectively, the “Act”), including Section 32(6) of the CCAA and Section 65.11(7) of the BIA, licenses to rights to “intellectual property” as defined under the Act. The parties agree that the Toyota Party, as licensee of such rights under the Agreement, will retain and may fully exercise all of its rights and elections under the Act. The parties further agree that, in the event of the commencement of bankruptcy proceedings by or against Supplier under the Act, the Toyota Party will be entitled to retain all of its rights under the Agreement, including any licenses and rights granted hereunder.

5.7.8 *Software Escrow Requirement.*

(a) Requirement. If directed by a Toyota Party and at no additional expense to such Toyota Party (unless otherwise agreed in writing by the parties), Supplier must promptly place the Software Deposit Materials in escrow, which escrow process will be prescribed by the Toyota Party and may include cooperating with the Toyota Party to enter into a separate escrow agreement with the Toyota Party or an escrow agent. At a minimum, the parties agree that the Software Deposit Materials will be delivered to the Toyota Party upon the occurrence of any Triggering Event. Supplier will update any Software Deposit Materials as necessary to ensure that a current, complete, and functional copy of such Software Deposit Materials is held in escrow at all times.

(b) Software License. Following the release of the Software Deposit Materials from escrow and for the duration of the Triggering Event and a reasonable transition period thereafter, the parties acknowledge and agree that the Software Deposit Materials will be licensed to the Toyota Parties and their designees under the terms of the Software License.

6. GENERAL COVENANTS; RIGHTS.

6.1 Independent Contractor. Supplier is retained by the Toyota Parties only for the purposes and to the extent set forth in the applicable Contract Documents. The relationship of Supplier to each Toyota Party is that of an independent contractor. Neither Supplier, nor its Representatives, are (a) considered employees of any Toyota Party; or (b) entitled to participate in any pension, stock bonus, profit sharing, or other benefits provided to employees of a Toyota Party. Nothing contained in the Agreement is intended or will be construed under any circumstance to create any principal/agent, employer/employee, partnership, tenancy-in-common, joint tenancy, profit sharing arrangement, or joint venture between Supplier and any Toyota Party. Unless consented to by the applicable Toyota Party, Supplier has no authority to execute contracts or make commitments on behalf of any of the Toyota Parties.

6.2 Toyota Policies. Supplier and its Representatives and subcontractors will be subject to and must conform to and comply with the Toyota Policies while supplying Items under these Terms, including Contract Documents pertaining to the following: (a) security; (b) cybersecurity; (c) environmental management; (d) anti-harassment; (e) supplier diversity; and (f) corporate social responsibility.

6.2.1 Enterprise Cybersecurity. Supplier must: (a) maintain reasonable, risk-based cybersecurity programs, supported by appropriate policies and procedures, to protect the confidentiality, integrity, and availability of Confidential Information, prevent disruption of the supply of Items, and respond in a timely and effective manner to any cybersecurity incident that may compromise the confidentiality, integrity, or availability of Confidential Information or disrupt supply of Items; (b) notify the Toyota Parties of any cybersecurity incident that affects the confidentiality, integrity, or availability of Confidential Information, disrupts or threatens to disrupt supply of Items, or otherwise reasonably could be expected to adversely affect a Toyota Party; (c) assist the applicable Toyota Party and provide requested information to such Toyota Party to the extent permitted by Legal Requirements in the event of such a cybersecurity incident; (d) direct and take necessary steps to enable Supplier Representatives to demonstrate, in accordance with reasonable measures identified by the Toyota Parties, that laptop computers or other devices are configured to operate reasonable, current cybersecurity protections (e.g., an up-to-date malware client) before such devices are permitted on the premises of any Toyota Party; (e) adopt other reasonable cybersecurity measures identified by a Toyota Party in the applicable Toyota Policy; and (f) upon request from a Toyota Party, at Supplier's expense, demonstrate compliance with this Section 6.2.1 through a third-party audit or other reasonable measure selected by the Toyota Party.

6.2.2 Product Cybersecurity. Supplier must maintain a reasonable, risk-based program, supported by appropriate policies and procedures, to ensure the cybersecurity of any Item that includes software, hardware, or other electrical components, and such product cybersecurity program must provide for security by design, vulnerability management, governance, and other elements identified by a Toyota Party in the applicable Toyota Policy, and must do so in a manner consistent with industry best practices, as identified by a Toyota Party in

the applicable Toyota Policy. Upon request from a Toyota Party, Supplier must, at its expense, demonstrate compliance with this Section 6.2.2 through a third-party audit or other reasonable measure selected by the Toyota Party.

6.2.3 Supplier Diversity. Supplier is encouraged to use its reasonable commercial efforts to increase purchases of goods and services from Certified Diverse Suppliers. Further, Supplier will endeavor to meet the Toyota Parties' stated targets for diverse spend and will report Supplier's diverse spend as requested by a Toyota Party.

6.3 Insurance. Supplier (a) must, at its expense, maintain insurance policies meeting the coverage and requirements specified on Schedule B; and (b) agrees to the terms and conditions set forth on Schedule B.

6.3.1 Right to Review. A Toyota Party may require additional or different types or amounts of coverage and Supplier must obtain such coverage within 30 days after such request.

6.3.2 No Limitation. In no event will (a) Supplier's failure to maintain or provide evidence of its insurance coverages; or (b) a Toyota Party's (i) approval of any of Supplier's insurance coverages, or (ii) receipt of evidence of insurance coverages (or failure to object to such evidence or Supplier's failure to provide evidence), constitute a waiver of any of Supplier's obligations under these Terms, including obligations or liabilities under Section 7 or the other indemnity or defense obligations in the Agreement, or for claims outside the scope of the coverage, excluded by, or that exceed the required insurance limits of such policies. The insurance required under this Section 6.3 is in addition to, separate from, and not limited by any obligations under Section 7 or the other indemnity or defense obligations under these Terms.

6.4 Warranty; Quality Assurance; Claims.

6.4.1 Express Warranties. Supplier expressly warrants to the Toyota Parties as follows as of the effective date of the Agreement and at all times during the Warranty Period (collectively, the following warranties are the "Supplier's Warranties"):

(a) All Items are:

(i) designed, developed, engineered, manufactured, processed, produced, provided, supplied, delivered, and transported to the Toyota Parties utilizing Supplier's expertise and experience in accordance with Section 1.3 and in full and complete conformity and compliance with (1) the Agreement, (2) all Toyota Requirements and applicable specifications, including that all Items comply strictly and completely with any and all Quality Standards, (3) all generally accepted industry standards and practices, including all professional standards, applicable to the type of Product being supplied for the intended application, even if not specified by the Toyota Parties (but only to the extent not superseded by the Toyota Requirements and Quality Standards), and (4) all Legal Requirements;

(ii) merchantable and free of defects (including, in the case of software, any Software Flaws) in materials, workmanship, and, to the extent the Items are designed by Supplier or its subsuppliers, design (regardless of whether the design has been approved or requirements were provided by a Toyota Party);

(iii) fit and sufficient for the purposes intended by the Toyota Parties;

(iv) free and clear of all liens, claims, encumbrances, interests, or other rights and delivered by Supplier to the applicable Toyota Party with good title on such Toyota Party's acceptance thereof; and

(v) free from any programs, subroutines, code, instructions, data, or functions (including viruses, worms, date bombs, or time bombs), the purpose of which is to intentionally cause the Items to cease operating, or to damage, interrupt, interfere with, or hinder the operation of the Items or any other software, data, or parts that interact or integrate with the Items or any other software, data, or part with which they are capable of communicating, or otherwise permit the unauthorized access to any software, data, or part.

(b) Open Source Software may not be included in Items unless:

(i) the applicable Open Source Software license does not require that the Open Source Software or any derivative work thereof be disclosed or distributed in Source Code under the same license; or

(ii) the applicable Toyota Party has specifically approved, specified, or requested the use of the Open Source Software.

(c) All uses of Open Source Software must be declared in a software bill of materials specifying: (i) the name and version of each Open Source Software software package used; (ii) the source of the Open Source Software (e.g., the website or distributor); (iii) a copy of the applicable license; (iv) how the Open Source Software is used and integrated into Items; and (v) a description of any changes made to the Open Source Software by Supplier.

(d) Supplier has (i) full title to, ownership of, or appropriate license rights in any software provided by Supplier; and (ii) full power and authority to grant the Licenses and other rights to the Toyota Parties as provided in the Agreement.

(e) A Toyota Party's use of any Item, including, for Software Items, any copying or modification thereof (or its combination with or incorporation into any other Item), as contemplated by the Agreement will in no way constitute an infringement or other violation of any patent, copyright, trademark, service mark, trade secret, or other proprietary right of any third party.

(f) There is no actual or threatened claim, administrative action, or suit by any third party based on an alleged violation of its rights by Supplier in connection with the Items or the Agreement; provided that Supplier must provide the Toyota Parties with notice of any such future actual or threatened claim, administrative action, or suit.

(g) The provisions of this Section 6.4.1 apply to each delivery form of the Items, in whole or in part, to a Toyota Party, another supplier, or any respective designee, including any new version, correction, patch, update, work-around, or other similar interim or partial delivery form of the Items. Supplier's Warranties are in addition to all warranties implied or provided by Legal Requirements.

6.4.2 Conformity with Quality Standards. The applicable Toyota Party will decide whether the Quality Standards are being met. Supplier must, in accordance with the Quality Standards, provide, maintain, perform, and enforce all measures necessary to secure the quality of Items and the manufacturing process thereof, including quality control standards, inspection standards, and specifications.

6.4.3 Evidence of Supplier's Quality Assurance; Testing. Supplier will prepare and maintain, and, upon any Toyota Party's request, deliver to such Toyota Party, data, records, and other materials to evidence Supplier's testing, inspection, and analysis of field quality data (or any other information or data as provided by or on behalf of the Toyota Party) and such other quality assurance actions to validate compliance with all Quality Standards. Any Toyota Party may, upon notice and during normal business hours, (a) inspect the Items or work in process; and (b) conduct quality control measures and tests at Supplier's or any subcontractor's premises. Without expense to any Toyota Party, Supplier will provide facilities and assistance for the Toyota Party's inspections, tests,

and measures. Such Toyota Party will not be liable for any reduction in value of samples used and Supplier will not sell or deliver to a Toyota Party any Item that fails any inspection, test, or measure.

6.4.4 Duration of Supplier's Warranties. Subject to the provisions of Section 6.4.7, the duration of Supplier's Warranties for any particular Item is for the Warranty Period. For the avoidance of doubt, Supplier's Warranties explicitly extend to future performance of the Item.

6.4.5 Warranty Claim; Objection; Inspection of Items. If Supplier breaches any of Supplier's Warranties, any Toyota Party may make a warranty claim against Supplier ("Warranty Claim"). Supplier may object to a Warranty Claim in writing within a reasonable period after Supplier's receipt of the Warranty Claim notice from the applicable Toyota Party. Upon reasonable notice and at the reasonable request of Supplier, a Toyota Party may provide an Item subject to a Warranty Claim to Supplier for its inspection, at Supplier's expense.

6.4.6 Correction of Software Flaws. Without limiting Supplier's Warranties, for any Software Items, Supplier agrees to correct any Software Flaws identified during the PMSP Period. Supplier agrees to use best efforts to promptly correct all Software Flaws, and provide a patch or updated or corrected software, and any related assistance, to the applicable Toyota Party in accordance with the Agreement.

6.4.7 Remedies Post-Warranty Period. If any substantial defect (including, in the case of Software Items, any Software Flaw) is found in any of the Items after the Warranty Period has expired, but within the reasonable expected performance life of such Item, as determined by the Toyota Parties, and the cause for such defect is mutually determined by the Toyota Parties and Supplier to be attributable to Supplier, the Toyota Parties and Supplier will discuss the resolution and apportionment of responsibility for such claims. If a Toyota Party, because of any such defect in the Items, elects to provide additional remedies or coverages to its customer, which may include extending the Warranty Period, then Supplier must cooperate with and assist the Toyota Party in extending such remedies or coverage to its customer (both as to quality and as to duration). If Supplier, using its reasonable judgment, acknowledges that such remedies or coverages are appropriate, the Toyota Party and Supplier agree to negotiate to reasonably allocate the expense of providing the remedial rights to the Toyota Party's customer(s) and the Toyota Party. Supplier agrees that it is responsible for any such defect to the extent of the obligations apportioned or allocated to Supplier pursuant to this Section 6.4.7.

6.4.8 Warranty Cost Settlement Procedure. The parties will negotiate and resolve a means of calculating the actual cost of any Warranty Claim, including Remedial Work, replacement Items or Products, and related expenses. Such negotiation and resolution must be performed in conformance with the warranty cost settlement procedures established by the Toyota Parties ("Warranty Cost Settlement Procedures"). The parties agree that the actual cost of any Warranty Claim will be allocated such that the applicable Toyota Party and Supplier each bear its respective share of the cost. Supplier will pay any federal, state, provincial, or local taxes imposed on or with respect to Supplier's reimbursement obligations under this Section 6.4 and will reimburse the applicable Toyota Party for any such taxes imposed on or with respect thereto. Supplier agrees that it is responsible for Supplier's share of the costs allocated to Supplier pursuant to this Section 6.4.8.

6.4.9 Warranty Claims for PDAD Items. Notwithstanding anything to the contrary in this Section 6.4, this Section 6.4.9 will apply to any Warranty Claim relating to a PDAD Item.

(a) Procedures. Within 30 days after Supplier's receipt of a Warranty Claim notice from the applicable Toyota Party ("Response Period"), Supplier must (a) electronically submit a response to such Warranty Claim; and (b) pay the Toyota Party in full for all accepted or partially-accepted Warranty Claims. If Supplier objects to any Warranty Claim, Supplier must give the Toyota Party electronic notice thereof within the Response Period. Supplier's failure to provide such notice or to electronically submit responses to the Warranty Claim within the Response Period will constitute Supplier's irrevocable acceptance of such Warranty Claim. If Supplier is unable to respond electronically to any Warranty Claim due to a system malfunction within the Response Period, Supplier must notify the Toyota Party immediately in writing and prior to expiration of the Response Period.

(b) Reimbursed Expenses. Supplier accepts full and complete responsibility for any PDAD Item Warranty Claim. Without limiting the foregoing, Supplier will reimburse the Toyota Parties for all expenses to replace the PDAD Item, which include the following:

(i) The cost of the PDAD Item or replacement therefor in an amount equal to the Toyota Party's cost of reimbursement to its dealers or authorized distributors or wholesale customers (collectively, "Dealers and Distributors") for warranty repair. Such cost will be based on the Toyota Party's dealer price, plus handling costs and MSRP parts mark-up or such other markup as determined by the Toyota Party. The Toyota Parties may, subject to reasonable prior notice to Supplier of any material change, modify such formula as the Toyota Parties' obligations change.

(ii) The cost of all labor and material required for removal of the PDAD Item and installation of the replacement therefor. Labor cost will be based on the Toyota Party's authorized warranty labor rate for Dealers and Distributors, multiplied by a reasonable time allowance for the work required for such removal and installation. The Toyota Parties may change warranty labor rates for Dealers and Distributors and time allowances for work at any time.

(iii) The actual costs, if any, of work subcontracted to third parties for removal of the PDAD Item and replacement thereof.

6.5 Recall; Remedies; Allocation of Expenses. If a Recall occurs, Supplier and the Toyota Parties agree to negotiate with one another, and with all other affected suppliers, to reasonably allocate the expense of (a) complying with or contesting any Recall; and (b) providing remedial rights to the Toyota Parties and their customers in connection with any such Recall. Notwithstanding the foregoing, for any Recall relating to a PDAD Item, Supplier will reimburse the Toyota Parties for all expenses incurred by the Toyota Parties and any Dealers and Distributors in connection with such Recall, including the expenses of notifying Vehicle owners and all costs set forth in Section 6.4.9(b)(i) to Section 6.4.9(b)(iii). Notwithstanding anything to the contrary in the Agreement, this Section 6.5 will survive the termination or expiration of the Agreement and the duration of Supplier's Warranties. Any decision by a Toyota Party to contest any determination by a governmental agency or authority with respect to a Recall will not waive or diminish in any manner any rights of any Toyota Party under this Section 6.5. Supplier agrees that it is responsible for Supplier's share of the costs allocated to Supplier pursuant to this Section 6.5.

6.6 Notice of Certain Events. Supplier will give the applicable Toyota Party prompt notice of the following:

(a) if Supplier changes its name or changes its principal place of business to a location other than that maintained in a Toyota Party's files;

(b) any cancellation, material change, or reduction of insurance coverages in accordance with Schedule B;

(c) a Change of Control;

(d) any and all facts, circumstances, incidences, or notices that, in connection with any Item or the Agreement, may give rise to (i) a Loss in an aggregate amount greater than or equal to \$1,000,000, (ii) a Product-Related Claim, or (iii) a recall, including a recall of any component, material, or ingredient contained in any Item;

(e) if Supplier (i) becomes insolvent or is generally unable to pay, or fails to pay, its debts as they become due, (ii) files or has filed against it, a petition for voluntary or involuntary bankruptcy or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency Legal Requirement, (iii) makes or seeks to make a general assignment for the benefit of its creditors,

or (iv) applies for or has appointed a receiver, trustee, custodian or similar agent appointed by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business;

(f) if Supplier knows or has reason to believe that a subsupplier that Supplier relies upon to fulfill Supplier's obligations under the Agreement has or is reasonably likely to experience a material adverse change in its business, operations, property, assets, or financial condition; and

(g) when notification is otherwise required in the Agreement, including as set forth in Sections 1.6, 3.6.3, 3.7.3, 3.8.1, 3.9, 5.3.2, 5.4.2, 6.2.1, and 6.4.1(f).

6.7 Advertising and Publicity. Without a Toyota Party's consent (which may be withdrawn upon notice) in each instance, Supplier will not (a) use or permit use of the words "Toyota Motor Engineering & Manufacturing North America, Inc.," "Toyota Motor North America, Inc.," "Toyota Motor Sales, U.S.A., Inc.," "Toyota," "Lexus," "Scion," "TEMA," "TMNA," "TMS/USA," or any similar word or trademark of a Toyota Party in any manner, including in the description or marketing of products produced, distributed, or sold by or on behalf of Supplier or in any advertising, sales promotion, letterhead, publicity, or other public or media communications of Supplier; or (b) advertise, publicize, or publish that Supplier has contracted to provide, or has previously provided, Items to any Toyota Party.

6.8 Duty and Tax.

6.8.1 Generally. Supplier will cooperate with and provide to the Toyota Parties all information and documents as requested by the Toyota Parties (including written documentation and electronic transaction records) for the purpose of (a) obtaining any applicable benefits related to or arising from the Agreement, including trade credits, export credits, or the refund of duties, taxes, or fees available to any Toyota Party; and (b) fulfilling any customs or export obligations, local content obligations, or other Legal Requirements.

6.8.2 Excise Tax. Supplier certifies that it has not claimed or taken and will not claim or take at any point during the term of the Agreement, any refund or credit for any portion of any excise tax regarding any Items sold to and later exported by a Toyota Party, and hereby waives any claim for refund of the foregoing tax in favor of such Toyota Party.

6.8.3 Other Taxes. The Toyota Parties will not be liable for any federal, state, provincial, or local taxes unless separately stated on a Contract Document and billed to the Toyota Party as a separate line item. No sales or use tax may be added to the price of Items when an exemption is indicated on the face of the applicable Contract Document.

6.9 Termination.

6.9.1 By Toyota Party for Convenience. A Toyota Party may, at its option, for any or no reason, (a) immediately terminate all or any part of any Contract Document by giving notice to Supplier; or (b) terminate the Agreement by giving not less than six months' prior notice to Supplier.

6.9.2 By Supplier for Convenience. Supplier may, at its option, for any or no reason, terminate the Agreement by giving not less than six months' prior notice to Toyota Party.

6.9.3 Default; Remedies.

(a) **Default.** The following events will constitute a default ("Default") under the Agreement:

(i) if Supplier repudiates, breaches, or threatens to breach any provision of the Agreement or fails to timely perform or deliver Items as specified by a Toyota Party;

(ii) if at any time a material adverse change in the business, operations, property, or assets of Supplier occurs, the consequence of which is a substantial likelihood that any Toyota Production will be imminently interrupted, as determined by any Toyota Party;

(iii) if at any time there is a material adverse change in the financial condition of Supplier, as determined by any Toyota Party; or

(iv) if Supplier fails to timely provide any Toyota Party with adequate and reasonable assurance of Supplier's ability to timely perform any of Supplier's obligations under the Agreement.

(b) **Remedies in Event of Default.** Upon the occurrence of a Default by Supplier, any Toyota Party may take any of the following actions:

(i) cancel the Agreement or any Contract Document, in whole or in part, which cancellation will be effective immediately on the date of the notice of the cancellation or as otherwise designated by the Toyota Party;

(ii) access Supplier's premises to allow a Toyota Party (or its Representatives) to pursue its remedies or demand immediate return, at Supplier's expense, of Toyota Property pursuant to written instructions from the Toyota Party;

(iii) purchase any and all Items, work in process, raw materials, and inventory from Supplier by making a Termination Payment, calculated in accordance with Section 6.9.5(b), to Supplier (provided that Supplier has complied with Section 6.9.4);

(iv) pursuant to Section 8.12, bring suit or otherwise seek all rights and remedies to which the Toyota Party may be entitled, including all Losses under law or equity, including the Uniform Commercial Code or Personal Property Security Act or such other equivalent legislation in the applicable jurisdiction, as a buyer of goods;

(v) require Supplier to accept a return of any Item or provide the Toyota Party with Remedial Work or replacement Items in conformity with the Agreement;

(vi) require Supplier, at its expense, to provide support as requested by the Toyota Party at any Toyota Party facility to address the impact of such breach; or

(vii) for any Items that are Rejected Items or which otherwise do not comply with Supplier's Warranties, or for any other breach, seek any and all Losses arising from such breach, including Losses arising from any production delays or interruptions, from any Recall or Product-Related Claim, or from any other consequence of any breach.

6.9.4 Obligations of Supplier on Termination. Upon termination of a Contract Document or the Agreement, as applicable, Supplier will, unless otherwise directed by the Toyota Party: (a) promptly terminate all work in progress under the applicable Contract Documents; (b) inform the Toyota Party of the extent to which performance has been completed through such date; (c) transfer to the Toyota Party any raw materials, inventory, work in process, and such other materials that Supplier processed, produced, performed (including repair), supplied, manufactured, or acquired under any Contract Document; (d) take all actions reasonably necessary to protect any Toyota Property and Items in the possession or control of Supplier until it has received written instructions from the Toyota Party regarding such property; and (e) immediately return or, if approved by the Toyota Party, certify destruction of all Confidential Information and Toyota Property in the manner approved by the Toyota Party. The foregoing requirements are in addition to any other requirements set forth in the Agreement relating to the obligations of Supplier upon termination of any Contract Documents or part thereof.

6.9.5 Obligations of Toyota Party on Termination.

(a) Generally. Upon termination by a Toyota Party under this Section 6.9, the Toyota Party will pay to Supplier (i) the prevailing Toyota Price for all conforming Items provided to the Toyota Party; (ii) the actual cost to Supplier for all work in process, raw materials fabricated or procured by Supplier, and finished goods inventory to the extent such costs and quantities are reasonable in amount and are proportional and properly allocated to the terminated portion of the Contract Documents; (iii) outstanding undisputed Supplier Payables arising from Accepted Tooling, for which a timely Conforming Invoice has been issued, that the Toyota Party, pursuant to written instruction, directs Supplier to return to the Toyota Party; and (iv) the actual cost incurred by Supplier in protecting any Toyota Property or Items in accordance with the Agreement (collectively, a “Termination Payment”). The Toyota Party will make no payment to or for the benefit of Supplier for work in process, raw materials fabricated or procured by Supplier, or finished goods inventory in amounts in excess of those authorized in the applicable Contract Documents or in amounts inconsistent with releases or the general course of dealing between the parties concerning the quantity of Items generally purchased by a Toyota Party at the time of termination. Notwithstanding the foregoing, the Toyota Parties will have no obligation to Supplier under this Section 6.9.5 if a Toyota Party terminates any Contract Document because of Supplier’s Default as set forth in Section 6.9.3.

(b) Calculation. Supplier must make its written claim for a Termination Payment to the applicable Toyota Party within 30 days after the effective date of a termination, consisting exclusively of the amounts outlined in this Section 6.9.5. The Termination Payment paid to Supplier under this Section 6.9.5 will not exceed the aggregate Toyota Price payable to Supplier for the quantity of conforming Items that would have been manufactured, processed, produced, performed, acquired, or supplied by Supplier under the Contract Documents outstanding at the date of termination of the Contract Documents. Subject to audit, review, and verification of amounts in any claim for a Termination Payment, the Toyota Party will pay the undisputed Termination Payment within 60 days after the claim is received. In addition to the Toyota Party’s set-off rights set forth in Section 3.5, the Toyota Party reserves the right to set off against any Termination Payment any amounts (i) related to any termination under this Section 6.9; (ii) otherwise owed by or on behalf of Supplier to any Toyota Party; or (iii) owed for prior performance, acts, or omissions of Supplier not in conformance with the Agreement.

(c) Limitations. The Toyota Parties will not be liable for, or be required to make payment to Supplier of, any amount for claims by Supplier arising out of or related to (i) subcontractor or other third party claims; (ii) labor or employee benefit charges; (iii) professional or other fees; (iv) loss of anticipated profit; (v) overhead, interest, product development, or engineering and design expenses; (vi) equipment or facilities expenses; (vii) general and administrative burden; or (viii) operating expenses of any kind related to the termination of any part of the Agreement.

6.9.6 Rights Upon Orderly Termination. Upon termination of any part of the Agreement, the parties will assist each other in effecting an orderly termination and the transfer of all aspects of the Agreement, including tangible and intangible property, information, and materials as may be necessary for the orderly business continuation of each party without material disruption.

6.9.7 No Election. The Toyota Parties’ remedies in these Terms are cumulative and in addition to any other remedies elsewhere in the Agreement and as provided by law or equity. Resort to any remedy by a Toyota Party, as set forth in the Agreement or otherwise, will not be deemed an election of remedies or in any way limit the rights and remedies of any Toyota Party under the Agreement or constitute a waiver of any other remedies.

6.9.8 No Waiver. No waiver of a breach of any provision of the Agreement or failure by a Toyota Party to insist on strict performance by Supplier of any term or condition contained in the Agreement will constitute a waiver of any other breach of such provision or of any Toyota Party’s rights under the Agreement. No waiver will be effective unless in writing and executed by the party granting the waiver.

6.10 No Encumbrances. Except in the ordinary course of its business, Supplier may not pledge, encumber, or otherwise assign its interest in accounts receivable related to or arising from Supplier Payables without the applicable Toyota Party's consent. If the applicable Toyota Party consents, any secured party's rights in and to such interest will at all times be subject and inferior to any Toyota Party's rights, including any Toyota Party's right to cancel any part of the Agreement or the right of any Toyota Party to set off amounts owed with respect to any Supplier Payable against claims of any Toyota Party against Supplier pursuant to the Agreement.

6.11 Disposal of Items. Supplier may not dispose of any Item except in strict conformity with all Toyota Requirements and Legal Requirements.

7. INDEMNIFICATION.

7.1 Supplier's Obligation to Indemnify. The obligations under this Section 7 are in addition to, separate from, and not limited by any insurance required under the Agreement or any other defense and indemnification obligations of Supplier set forth in the Agreement, including as set forth in Section 9. Supplier will reimburse, indemnify, defend, and hold each Toyota Indemnified Party harmless from and against any and all Losses based upon, relating to, arising from, or which are alleged to have been caused by a Supplier Party in connection with, any of the following (each an "Indemnified Claim" and, collectively, the "Indemnified Claims"):

(a) the performance or nonperformance of any obligation in or breach of, or noncompliance with, the Agreement by any Supplier Party;

(b) noncompliance with or violation of any Legal Requirements by any Supplier Party, including that any Item (before or after installation in any Vehicle distributed or otherwise sold by the Toyota Parties) is not in compliance with or, after installation, causes such Vehicle to be not in compliance with any Legal Requirements;

(c) any services or other actions undertaken by a Toyota Party to correct or remedy any Recall attributable, in whole or in part, to any Supplier Party;

(d) any Product-Related Claim determined by a Toyota Party to be attributable, in whole or in part, to any Supplier Party;

(e) any Supplier Party's use of any Toyota Property or activities on a Toyota Indemnified Party's premises;

(f) unfair competition by reason of the sale or use of the Items by a Toyota Indemnified Party;

(g) a claim of nonpayment by any party to whom Supplier has assigned the right to receive payment under these Terms or any Contract Document;

(h) a Toolmaker or third party claim in connection with a Toyota Party exercising its rights under Section 4.7; and

(i) an IP Infringement Claim determined by a Toyota Party to be attributable, in whole or in part, to any Supplier Party.

7.2 Infringement Indemnification. If an IP Infringement Claim results, or is likely to result, in an injunction or other order that would prevent Supplier from manufacturing, processing, producing, or supplying, or a Toyota Party or its designee from using as permitted, applicable Items in Toyota Production or a Vehicle, Supplier will, at its expense, either (a) secure a license of the applicable intellectual property that permits Supplier to continue manufacturing, processing, producing, or supplying, or a Toyota Party and its designee to continue using as

permitted in the Agreement, applicable Items in Toyota Production or a Vehicle; (b) if requested by a Toyota Party and solely in conformity with the Toyota Requirements, modify the Items so that they become non-infringing, so long as the modification does not materially alter the operation or performance of the Items; or (c) replace the Items with non-infringing, but practically equivalent Items, which equivalency will be determined by the Toyota Parties.

7.3 Defense of Indemnified Claims.

7.3.1 Generally. If a Toyota Indemnified Party is notified of any Indemnified Claim arising from a claim made by a third party, such Toyota Indemnified Party will notify Supplier of such Indemnified Claim. Following delivery of the notice, Supplier must defend such Indemnified Claim at its sole expense with counsel of its choosing (and reasonably acceptable to the Toyota Parties) and must include the Toyota Indemnified Party in discussions and decisions relating to the defense. The Toyota Indemnified Party may participate in the defense of such Indemnified Claim defended by Supplier with counsel of the Toyota Indemnified Party's choice and the fees and expenses of the Toyota Indemnified Party's counsel will be paid or reimbursed by Supplier. Notwithstanding the foregoing, the Toyota Indemnified Party may, upon notice to Supplier, assume the exclusive right to defend, compromise, settle, or resolve any Indemnified Claim, at Supplier's sole expense, if (a) the Toyota Indemnified Party determines that (i) defense of the Indemnified Claim by counsel selected by Supplier would be inappropriate for reasons of existing or potential conflict of interest or because the Toyota Indemnified Party has defenses available to it that are distinct from or in conflict with defenses available to Supplier or another Toyota Indemnified Party, or (ii) there is a reasonable possibility that the Indemnified Claim may adversely impact it, including damage to reputation, brand, or business prospects; or (b) the Indemnified Claim is asserted by or on behalf of a person or entity that is a direct or indirect supplier or customer of the Toyota Indemnified Party or such person or entity seeks an injunction or other equitable relief.

7.3.2 No Settlement Without Consent. Supplier may not compromise or settle any Indemnified Claim without the Toyota Indemnified Party's consent. No Toyota Indemnified Party will have any liability with respect to any compromise or settlement of any claim effected without its consent.

7.4 Indemnity Payment. If an indemnity or reimbursement payment made by Supplier to any Toyota Indemnified Party is subject to (or deemed by any applicable taxing authority to be inclusive of) any tax, Supplier will be liable for and must pay to the Toyota Indemnified Party, in addition to the indemnity or reimbursement payment, an amount equal to such tax payable (including any deemed amount) in connection with the indemnity or reimbursement payment and such additional amount, including any interest and penalty imposed thereon.

7.5 Limitations. Supplier will not be liable for Losses to the extent such Losses are based upon, relating to, or arising from the gross negligence or intentional misconduct of a Toyota Indemnified Party, as determined by the Toyota Parties.

8. MISCELLANEOUS.

8.1 Time is of the Essence. Time is of the essence in Supplier's performance of the Agreement.

8.2 Order of Precedence. Notwithstanding anything to the contrary in these Terms or any Contract Document, if there is any conflict, inconsistency, or incompatibility between or among the terms and conditions of these Terms or any Contract Document, the order of precedence, from the document that takes the highest precedence to the document which takes the lowest precedence, is as follows: (a) Specific Contract Documents; (b) these Terms; then (c) Generic Contract Documents. Notwithstanding anything to the contrary in these Terms, if there is any conflict, inconsistency, or incompatibility between the terms and conditions of these Terms or any Schedule hereto, the Schedule will take precedence.

8.3 Governing Law. Subject to and in accordance with Section 9, the Agreement and the rights and obligations of the parties under the Agreement are not governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods or the United Nations Convention on the Limitation in the

International Sale of Goods; rather, the Agreement and the rights and obligations of the parties under the Agreement are governed by the laws of the State of Michigan, including its provisions of the Uniform Commercial Code, without regard to its conflict of laws rules.

8.4 Assignment; Subcontracts. Supplier may not assign the Agreement, whether by operation of law or otherwise, or subcontract any work (other than supplies proprietary to Supplier and parts and supplies normally purchased by Supplier), in each case without the applicable Toyota Party's consent (which consent may be conditioned). Any attempt to assign, delegate, or subcontract in violation of this Section 8.4 is void in each instance. Notwithstanding such Toyota Party's consent, Supplier will remain responsible for performance of all obligations assigned, delegated, or subcontracted and any breach by the third party will be deemed a breach by Supplier. A Change of Control will be deemed an assignment by Supplier, whether control is acquired, directly or indirectly, in a single transaction or series of related transactions, or all or substantially all of the assets of Supplier are acquired, by any Person, or Supplier is merged with or into another Person. Notwithstanding anything to the contrary in the Agreement, a Toyota Party may assign these Terms, any Contract Document, or any of its rights and obligations under the Agreement, (a) to any other Toyota Party; or (b) in connection with any merger, consolidation, reorganization, or sale or transfer of all or substantially all of its assets or equity interests or any other similar transaction.

8.5 Notices. Notices required under the Agreement must be in writing and sent by personal delivery, regular mail (postage pre-paid, certified and return receipt requested), or a nationally recognized overnight courier service; provided, however, to the extent a notice under any Contract Document is permitted or required to be delivered by e-mail communication, such notice is permitted for the limited purpose allowed, but, at a minimum, any notice of Default must be provided by written notice sent by personal delivery, regular mail (postage pre-paid, certified and return receipt requested), or a nationally recognized overnight courier service. Notices will be sent to the respective parties at the following addresses (and, in the case of notices by Supplier, must refer to these Terms and the applicable Contract Documents):

If to Toyota Party:	Address designated by the Toyota Party on the Contract Documents
with a concurrent copy to:	Toyota Motor North America, Inc. 8777 Platt Road Saline, MI 481761 Attention: Purchasing Risk Management
with a concurrent copy to:	Toyota Motor North America, Inc. 6565 Headquarters Dr. US Mailstop W1-5A Plano, TX 75024 Attention: Toyota Legal One
If to Supplier:	Address maintained in the Toyota Party's files concerning notices to Supplier

Either party may change its notice address by a notice given to the other in the manner provided for in this Section 8.5 or, in the case of a Toyota Party, by posting notice of such change on toyotasupplier.com.

8.6 Battle of the Forms Not Applicable. The parties intend that the Agreement, and only the Agreement, exclusively control the relationship of the parties with respect to all Items. The parties agree and it is their intent that the "battle of the forms" section of the Michigan Uniform Commercial Code (MCL §440.2207) does not and will not apply to the Agreement or to any invoice or acceptance form of Supplier relating to the Agreement. Any standard terms and conditions, other than those stated in the Agreement, contained or incorporated in any Supplier estimate, order form, order confirmation, quote, proposal, invoice, or other similar submission, response,

or acceptance by Supplier (even if Supplier purports to condition its acceptance to a Toyota Party's agreement to such different or additional terms, and regardless of when such documents or terms are or were submitted) are rejected, excluded, inapplicable under the Agreement, and otherwise superseded, and instead the Agreement alone applies. Supplier acknowledges and accepts that its sale of Items is made subject to these Terms and to the terms of any applicable Contract Documents.

8.7 Entire Agreement. The Agreement constitutes the entire agreement between the parties, and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties with respect to the subject matter hereof. The schedules and appendices to these Terms constitute part of these Terms and are deemed to be incorporated in these Terms by reference and made a part of these Terms as if set out in full at the point where first mentioned.

8.8 Further Assurances. Either party, at the request of the other party, will execute and deliver such further documents and instruments and take such further actions as may be requested by such other party to carry out the provisions of the Agreement.

8.9 Severability. If any provision of the Agreement is held to be invalid, prohibited, or unenforceable in any applicable jurisdiction, as to such jurisdiction, and provided the essential terms of the Agreement for the Toyota Parties remain valid, binding, and enforceable, the Agreement will be ineffective only to the extent of such invalid, prohibited, or unenforceable provisions without invalidating the remaining provisions of the Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction.

8.10 Survival. Sections 1.6.3, 3.1.3, 3.3, 3.5, 5.2.2, 5.5, 5.6, 5.7, 6.3, 6.4, 6.5, 6.9.4, 6.9.5, 7, 8.3, 8.5, 8.11, 8.12, this Section 8.10, and any other provision of the Agreement that by its nature extends beyond the expiration, termination, or cancellation of the Agreement will remain in full force and effect until fulfilled or performed and will inure to the benefit of and be binding upon Supplier and the Toyota Parties and their respective successors and permitted assigns.

8.11 Certain Matters of Construction.

8.11.1 If any ambiguity or question of intent or interpretation arises, the Agreement will be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument (or any portion thereof) to be drafted.

8.11.2 The captions and headings in these Terms are inserted only as a matter of convenience and for reference and in no way define the scope or content of these Terms or the construction of any provision hereof or of any document or instrument referred to herein.

8.11.3 Unless the context otherwise requires, references herein: (a) to an agreement, instrument, or other document mean such agreement, instrument, or other document as amended, supplemented, and modified to the extent permitted by the provisions thereof; and (b) to a Legal Requirement mean such Legal Requirement as amended and include any successor legislation thereto and any regulations promulgated thereunder.

8.11.4 Definitions are equally applicable to both the singular and plural forms of the terms defined, and references to the masculine, feminine, or neuter gender include each other gender.

8.11.5 Any reference herein to "day" means a calendar day, unless a specific provision herein specifically refers to a "business day," which means any day other than a Saturday, Sunday, any day on which banks in Dallas, Texas or York, Michigan are permitted or required to be closed, or any day on which TMNA's headquarters in Plano, Texas or business office in York, Michigan is closed.

8.11.6 Whenever the words “include,” “includes,” or “including” are used in the Agreement, they are deemed to be followed by the words “without limitation.”

8.11.7 Unless the context otherwise requires, whenever the word “or” is used in the Agreement, it is deemed to be used in the inclusive sense.

8.11.8 Whenever the word “expense” is used in the Agreement, it is deemed to be preceded by the words “cost and.”

8.11.9 All approvals, consents, and determinations by a Toyota Party will be deemed to be required in advance and in writing.

8.11.10 When there is an action, approval, consent, decision, designation, determination, election, modification, or specification to be made, given, or taken by a Toyota Party in these Terms, such action, approval, consent, decision, designation, determination, election, modification, or specification may be made, given, or taken in such Toyota Party’s sole and absolute discretion, unless otherwise qualified herein.

8.11.11 All amounts specified in the Agreement or to be paid pursuant to the Agreement are in United States Dollars, unless another currency is specified.

8.12 Alternative Dispute Resolution. Any and all Disputes will be resolved in accordance with the procedures specified in this Section 8.12, which will be the sole and exclusive procedures for the resolution of any such Disputes:

8.12.1 Negotiation. The parties will attempt promptly to resolve any Dispute by negotiation.

8.12.2 Mediation. If any Dispute cannot be resolved through negotiation, the parties will endeavor to settle the Dispute by mediation; provided, however, that the parties may agree in writing to forgo mediation and proceed directly to arbitration under Section 8.12.3. Either party may request in writing that the other party mediate the Dispute; such notice must set forth the subject of the Dispute and the relief requested (“Dispute Notice”). Unless the parties otherwise agree, the mediation will be conducted by a mediator affiliated with and under the rules of ADR Services, JAMS, or the International Institute for Conflict Prevention and Resolution (formerly known as the CPR Institute for Dispute Resolution). The parties must select an organization within 10 business days after dispatch of the Dispute Notice. If an organization/mediator and applicable rules have not been agreed upon within such 10-day period, the Dispute will be mediated in accordance with the JAMS procedures and a single mediator will be chosen by JAMS.

8.12.3 Arbitration. If within 90 days after the date of the Dispute Notice the Dispute is not resolved, either party may serve the other party with a notice of binding arbitration. Unless the parties otherwise agree, the arbitration will be conducted by and under the commercial arbitration rules of the same organization that conducted the mediation. The arbitration will be conducted by a panel of three arbitrators. The party initiating the arbitration must designate its selected arbitrator in its notice of arbitration. The other party will have 10 business days to designate its arbitrator. The arbitrators selected by the parties will then agree upon a third arbitrator within 15 business days after the selection of the second arbitrator. If either party fails to appoint an arbitrator, or if the party-selected arbitrators cannot agree on the third arbitrator, the dispute resolution service whose rules govern the arbitration will appoint the arbitrator.

8.12.4 Damages. The arbitrators are not empowered to award damages in excess of those permitted under the Agreement plus attorneys’ fees and legal expenses.

8.12.5 Provisional Remedies; Legal Action. Notwithstanding the provisions of this Section 8.12, a party may file a complaint limited to seeking provisional judicial relief pending the outcome of the mediation or arbitration provided by this Section 8.12. If any legal action or proceeding becomes necessary to seek provisional

equitable relief, to enforce the provisions of this Section 8.12, or to enforce the award of the arbitration, such legal action or proceeding must be brought exclusively either (a) in any state court of competent jurisdiction located in Wayne County, Michigan; or (b) in the United States District Court for the Eastern District of Michigan, and the parties expressly consent, and waive any objections, to subject matter jurisdiction, personal jurisdiction, and venue in such courts. The parties expressly agree that, notwithstanding the designation of both state and federal courts for jurisdiction and venue, neither party is waiving its right, as permissible under 28 U.S.C. Section 1441 (a)-(f), to remove matters originally filed in state court to federal court, as specified in this Section 8.12.5. The parties further acknowledge and agree that, should a matter be filed in state court in Wayne County, Michigan, and such matter is properly removable under Section 1441, no party will object to the removal and transfer of the matter pursuant to 28 U.S.C. Section 1404 to the United States District Court for the Eastern District of Michigan. Furthermore, the parties expressly consent, and waive any objection, to being served with process of any such legal action or proceeding in accordance with the notice provisions of Section 8.5.

8.12.6 Governing Law. The arbitration will be governed by the Federal Arbitration Act, 9 U.S.C. Section 1 et seq., to the exclusion of state laws inconsistent therewith and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof.

8.12.7 Venue. The place of arbitration will be Detroit, Wayne County, Michigan.

8.12.8 Confidentiality. All negotiations and proceedings pursuant to this Section 8.12 are confidential and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by the Legal Requirements.

8.12.9 Automatic Tolling. Each party agrees that any applicable limitations period, whether arising from contract, Legal Requirements, or otherwise, will be tolled and suspended beginning when a party provides notice to the other party, as provided for in these Terms, of a dispute to be resolved under this Section 8.12 or when the parties begin negotiations under this Section 8.12, whichever is earlier. Tolling and suspension of the limitations period will continue until: (a) the parties resolve the dispute as evidenced by a written settlement agreement; or (b) 45 days after a binding arbitration decision is rendered, whichever is earlier. Notwithstanding the foregoing, in the absence of a Dispute Notice from one party to the other to submit the dispute to binding arbitration, either party may provide the other party with notice that it desires the running of the limitations period to recommence. Such limitations period will recommence 45 days thereafter, unless within such 45-day period the receiving party delivers a Dispute Notice to the other party, in which event the limitations period will be tolled and suspended as set forth above.

9. PROVISIONS APPLICABLE TO CERTAIN JURISDICTIONS. Supplier acknowledges that the following jurisdictional provisions are applicable when (a) any aspect of Supplier's performance under the Agreement is required by the Legal Requirements of any of the following countries to be controlled by the Legal Requirements of such country; or (b) as otherwise required pursuant to the Agreement. To the extent this Section 9 conflicts with any other provisions of these Terms, this Section 9 controls (otherwise these terms supplement the Agreement).

9.1 Canada.

9.1.1 Supplier Liability to Pay Taxes. Supplier will (a) comply in a timely manner with the Legal Requirements imposed on Supplier by all applicable taxing statutes, including in respect of (i) registration, payment, collection, and remittance of taxes, and (ii) provision to the applicable taxing authority of such deposits, guarantees, or other forms of securities as may be required by any Legal Requirements, including, as applicable, payment of the GST/HST imposed pursuant to the Excise Tax Act (Canada), PST imposed pursuant to the Provincial Sales Tax Act (B.C.), and any other tax or duty imposed on the Importer of Record; and (b) upon request, provide the Toyota Party with written evidence of such compliance. Supplier will reimburse, indemnify, defend, and hold each Toyota Indemnified Party harmless for any amounts assessed against any Toyota Indemnified Party arising from Supplier's failure to so comply.

9.1.2 GST/HST; PST. Where required by any Legal Requirements, there will be added to each amount to be paid by a Toyota Party to Supplier under the Agreement all applicable GST/HST, PST, or any similar tax. Supplier will provide to the Toyota Party such documentation as is required (a) by the Excise Tax Act (Canada) and prescribed by the Input Tax Credit Information (GST/HST) Regulations, including similar provision thereto; (b) under the Provincial Sales Tax Act (B.C.); and (c) in order for the Toyota Party to claim an input tax credit, rebate, or refund in respect of such tax. Supplier will cooperate with the Toyota Party to file such forms, provide such documents, and do all things reasonably necessary at the Toyota Party's request to enable the Toyota Party to claim any exemption, credit (including foreign tax credit), rebate, remission, refund, reduction, or other relief from taxes, customs duty or duties under any applicable legislation or treaty.

9.1.3 Non-Resident Supplier. As applicable, for any services provided or work performed in Canada by a non-resident Supplier to or for a Toyota Party, unless Supplier provides the Toyota Party with appropriate documentation to the satisfaction of the Toyota Party, the applicable Toyota Party may deduct or withhold from each payment to Supplier all taxes or other withholdings that the Toyota Party is required by any Legal Requirements to deduct or withhold, and pay such amount to the relevant governmental authority in accordance with Legal Requirements, and provide to Supplier a copy of the receipt of payment issued by that authority.

9.1.4 Waiver of Moral Rights. In relation to any works of authorship that are to be owned by a Toyota Party, Supplier will, in a writing reasonably satisfactory to Toyota Party, expressly and irrevocably confirm that Supplier has obtained from each and every individual working for or on behalf of Supplier a waiver of any and all moral rights arising under the Copyright Act (Canada) or at common law that such individual, as author of the deliverable or software, as the case may be, has with respect to any copyrighted or copyrightable portion thereof prepared by such individual, including the right to attribution of authorship, the right to restrain any distortion, mutilation, or other modification of the deliverable or software, and the right to prohibit any use thereof in association with a product, service, cause, or institution that might be prejudicial to such individual's honor or reputation.

9.1.5 Compliance with Applicable Immigration Laws and Policies. Supplier will comply with the Immigration and Refugee Protection Act of Canada with respect to its employees and its subcontractors. If any Toyota Party becomes aware of any information, which, based upon a reasonable interpretation of such events or information, supports the conclusion that Supplier may not be in compliance with applicable immigration laws, Supplier will, at the option of the Toyota Party: (a) provide written certification that Supplier is in compliance with all applicable immigration laws; or (b) upon prior notice, allow for an independent auditor, selected and paid for by the Toyota Party, to conduct a full review or audit of records relating to the Immigration and Refugee Protection Act of Canada. If the audit discloses any failure of Supplier's compliance with the Immigration and Refugee Protection Act of Canada, Supplier must assume responsibility for all costs associated with the audit. Furthermore, such disclosure, or Supplier's failure to otherwise adhere to the terms of this provision may, at Toyota Party's discretion, be deemed a Default under the Agreement.

9.1.6 Employee Relations Training. All of Supplier's Representatives assigned to provide services pursuant to the Contract Documents are trained and will be provided on-going training in employee relations, equal opportunity, and other employment laws, including the British Columbia Human Rights Code, the Ontario Human Rights Code, and any corresponding or similar laws.

9.2 Mexico.

9.2.1 Payment Terms by Toyota Parties Located in Mexico. Notwithstanding anything contrary contained in the Agreement, all payments for or on behalf of Toyota Motor Manufacturing de Baja California, S. de R.L. de C.V., Toyota Motor Manufacturing de Guanajuato, S.A. de C.V., or any other Toyota Party formed under the laws of Mexico (each, a "Mexican Toyota Party") will be deemed at all times being made by each applicable Mexican Toyota Party regardless of the origination of funds or another Toyota Party acting as agent on behalf of the Mexican Toyota Party.

9.2.2 Mexican Employment-Related Obligations. Supplier is responsible for the payment of wages and other benefits to its employees, contributions to the Mexican Institute of Social Security (Instituto Mexicano del Seguro Social) and the Institute of the National Housing Fund for Workers (Fondo Nacional de la Vivienda para los Trabajadores), and any other payments or obligations under Mexico's Legal Requirements. Upon a Toyota Party's request, Supplier will provide a copy of the receipts evidencing the payment of payroll and social security and any other document that evidences the fulfillment of its labor obligations in Mexico.

9.2.3 Additional or Specific Representations and Warranties of Mexican Resident Supplier. The following are special representations and warranties that are made: (a) by any Supplier who is duly organized and in operation pursuant to the laws of Mexico; and (b) by any other Supplier who is qualified to do business in Mexico and whose performance under the Agreement is to be performed in Mexico. These representations and warranties are continuing and will be updated in writing by Supplier as needed to remain accurate and in full force and effect, or as requested by a Toyota Party.

(a) Supplier is a Mexican company, duly organized and in operation pursuant to the laws of Mexico, as set forth in a duly recorded public instrument which has been duly registered with the appropriate Public Registry of Property and Commerce (the "Public Instrument"). An authenticated copy of the Public Instrument has been provided to the applicable Toyota Party, as recorded. Supplier has granted ample power and authority to enter into the Agreement, which have not been amended, restricted, or revoked as of the effective date of the applicable Contract Document, as set forth in the Public Instrument.

(b) The acceptance by performance (or otherwise) of the Agreement by Supplier is within Supplier's corporate purpose.

(c) Supplier will take all necessary steps to maintain sufficient economic resources and capital to comply with all of its labor obligations with its employees, including fringe benefits and any other applicable legal benefits ("Employee Obligations"). Supplier will also take the necessary steps in order to be certain that any subcontractor that performs with or on behalf of Supplier under the Agreement also complies with all of its Employee Obligations.

9.2.4 Additional or Specific Representations and Warranties of Non-Mexican Resident Suppliers. The terms and conditions set forth below apply to all Items supplied, designed, developed, engineered, processed, produced, manufactured, delivered, or otherwise provided from a non-Mexican resident Supplier by or on behalf of a Mexican Toyota Party.

(a) The transfer of ownership of, and title to, Items shipped to a Mexican Toyota Party will be perfected by Supplier prior to the entry of the Items into Mexico, as defined by the Mexican Federal Tax Code and Mexican Customs Laws. The agreed upon Incoterms will be deemed applicable only in connection with the "risk of loss" of the Items and general terms of the sale; provided that the transfer of ownership of, and title to, such Items must be perfected prior to the entry of the Items into Mexico in accordance with this Section 9.2.4, regardless of the content and characteristics of the applicable Incoterms.

(b) Section 3.6 of these Terms is hereby modified to require that each Mexican Toyota Party will be the Importer of Record for all Items or other cargo of a Toyota Party that originate in a country other than Mexico and are delivered or performed in Mexico for or on behalf of such Mexican Toyota Party.

(c) Section 6.8 of these Terms is hereby modified to require that each Mexican Toyota Party and Supplier will be directly liable for the applicable taxes, duties, and governmental fees payable under the applicable Mexican Legal Requirements, and in each case the prices specified in a Contract Document will be deemed to include the total amounts payable by the Mexican Toyota Party to Supplier. Supplier will be responsible for determining the specific requirements, taxes, duties, and governmental fees applicable to each shipment of Items to a Mexican Toyota Party in Mexico.

(d) Prior to shipping any Items into Mexico, Supplier must provide all documents required for such shipment, including any bill of lading, invoice, title of transfer of ownership, or similar documents, certificates of origin applicable under any free trade agreement entered into between Mexico and Supplier's jurisdiction, cost lists as requested by a Mexican Toyota Party, and any other documents necessary for the shipment of goods into Mexico.

(e) Supplier will be responsible for correctly determining the origin of the Items shipped to a Mexican Toyota Party in Mexico, and Supplier will be responsible for paying any assessment imposed by any Legal Requirements if the determination of origin by Supplier is deemed incorrect.

(f) Any amounts paid by Supplier to a Mexican Toyota Party under the Agreement will be inclusive of the applicable taxes and duties that may be payable by a Mexican Toyota Party in Mexico.

SCHEDULE A RDDP ACTIVITY

1. **RDDP DOCUMENTS.** The Toyota Party will issue certain Specific Contract Documents, including the RDDP, to Supplier to purchase Items for the sourced program. The RDDP may be amended, supplemented, or modified by such Toyota Party in consultation with Supplier.

2. **ENGINEERING SERVICES.**

2.1 Scope of Engineering Services. Supplier will provide such engineering services as are necessary to develop and complete the deliverables established in the RDDP (i.e., specifications and drawings) that are required for the work product related to the Items, which will be performed pursuant to the schedule established by the Toyota Party (collectively, the "Engineering Services"). The Engineering Services will include all engineering and design services performed by Supplier that are in any way related to the RDDP, whether such services were performed prior to or after the issuance of the RDDP.

2.2 Supplier Engineers.

2.2.1 Supplier will, subject to the prior written approval of the Toyota Party, designate (a) the appropriate personnel of Supplier, including any employees of a third party under contract with Supplier, necessary to perform the Engineering Services (each a "Supplier Engineer"); and (b) a Supplier Engineer to serve as the primary contact with respect to the Engineering Services, who will have authority to act on behalf of and bind Supplier in connection with matters pertaining to such Engineering Services ("Lead Engineer").

2.2.2 Supplier will ensure that it has all necessary agreements in place with all Supplier Engineers to allow Supplier to comply with its obligations under this Schedule A and the Terms.

2.3 Toyota Project Manager. The Toyota Party will designate an individual to serve as the Toyota Party's primary contact and representative to oversee the Engineering Services and who will have the authority to act on behalf of and bind the Toyota Party ("Project Manager").

2.4 Removal of Materials. Supplier may not remove any Toyota Party materials, including Toyota Property, from the Toyota Party facility where the Engineering Services are being performed unless agreed to in a specific written approval signed by the Toyota Party. All removed materials will be considered Confidential Information and must be logged out by the Project Manager or other representative of the Toyota Party whom the Project Manager has designated in writing.

3. **INTELLECTUAL PROPERTY.**

3.1 Jointly Developed Intellectual Property. All Intellectual Property that Supplier and Toyota Party jointly develop will be owned jointly by Toyota Party and Supplier, and the terms of such ownership will be set forth in a Supplemental Development Agreement.

3.2 Secondary Intellectual Property. The Intellectual Property that Supplier independently develops, creates, or produces as a result of the Engineering Services, including both completed work product and work-in-progress (collectively, "Secondary Intellectual Property"), will be Supplier Intellectual Property. Secondary Intellectual Property does not include Item Specifications or any other specifications, drawings, or items that are unique to a Toyota Party and developed as part of the Engineering Services, whether provided by a Toyota Party to Supplier or otherwise worked on or further developed by Supplier as part of the Engineering Services. All such items developed as part of the Engineering Services unique to a Toyota Party will be Toyota Intellectual Property.

4. SUPPLIER WARRANTY. Supplier expressly warrants to the Toyota Parties that the Engineering Services comply with all Supplier's Warranties. Section 6.4 of the Terms expressly applies to the Engineering Services.

5. LIMITATION OF ACCESS.

5.1 Supplier and the Supplier Engineers may have access to certain areas of a Toyota Parties' facility and the Toyota Networks as designated by the Toyota Party. Supplier acknowledges and understands the importance of limiting Supplier Engineer's access on the Toyota Party's computer systems, the Toyota Networks, and restricted areas at any Toyota Parties' facility, as the same may be designated by a Toyota Party from time to time (collectively, "Restricted Areas"). Supplier will take all reasonable steps to limit, to the maximum extent possible, Supplier Engineer's access to Restricted Areas, including inadvertent access. If Supplier becomes aware that any Supplier Engineer has accessed any Restricted Area, Supplier will immediately notify the Toyota Party and cooperate with the Toyota Party in the investigation of such activity and carrying out of any remedial action.

5.2 Supplier further acknowledges and understands that while performing the Engineering Services, Supplier Engineers may access confidential information of other suppliers to the Toyota Parties, including competitors of Supplier (collectively, "Third Party Information"). Supplier will protect, and ensure that all Supplier Engineers protect, all Third Party Information as Confidential Information.

5.3 Supplier will follow, and ensure that all Supplier Engineers follow, all Toyota Policies.

SCHEDULE B INSURANCE REQUIREMENTS

1. **MINIMUM LIMITS.** The coverage limits specified on this Schedule B are minimum acceptable limits only. If any Supplier insurance policies contain limits and coverages greater than those specified on this Schedule B, the Toyota Parties' additional insured status, as applicable, will extend to the full policy limits and coverages.
2. **WAIVER OF SUBROGATION.** The insurance policies maintained by Supplier must include a waiver of, and Supplier agrees to waive, any and all rights of subrogation or recovery against the Toyota Indemnified Parties.
3. **SUPPLIER EXPENSE.** Supplier is solely responsible for all (a) deductible or retention payments; and (b) defense or legal expenses allocated to claims against its insurance policies.
4. **PROOF OF INSURANCE.** Within five days after a Toyota Party's request, Supplier must provide the Toyota Party with certificates of insurance or other acceptable evidence of Supplier's coverage in compliance with the Agreement. Such evidence must include confirmation of the Toyota Parties' additional insured status, the primary and non-contributory basis of the policy, and waivers of subrogation and any applicable sublimit.
5. **NOTICE OF CANCELLATION.** Supplier will ensure the Toyota Parties receive at least 30 days' notice prior to any cancellation, material change, or reduction of coverages.
6. **ADDITIONAL REQUIREMENTS.** All insurance must be occurrence-based. If Supplier is unable to obtain occurrence-based coverage, the insurance may be on a claims-made basis with a retroactive date no later than the date of Supplier's acceptance of the Agreement. All of Supplier's insurance must be continuously maintained for the longer of (a) at least six years after the termination of the Agreement or as otherwise specified on this Schedule B; or (b) the period required by Legal Requirements. All insurance must be maintained with insurers with an A.M. Best's performance rating of at least A- and with a financial size category of at least Class VII.

TYPE OF INSURANCE	MINIMUM LIMITS	COVERAGE & POLICY REQUIREMENTS
Commercial General Liability	<ul style="list-style-type: none"> • \$1,000,000 per occurrence • \$2,000,000 in the aggregate 	<ul style="list-style-type: none"> • Must cover all operations by or on behalf of Supplier arising out of or connected with the Agreement, including: <ul style="list-style-type: none"> ○ coverage for premises and operations (both ongoing and completed); ○ products (either manufactured or supplied); ○ blanket written contractual liability; ○ advertising injury; ○ personal injury, including mental injury and death; ○ broad form property damage; ○ cross liability (separation of insureds or severability of interests); and ○ employees of others hired or on loan by Supplier or on loan to Supplier as insureds. • Must NOT contain an absolute pollution exclusion or third party action-over exclusion. • Must include each Toyota Party as an additional insured on a primary and non-contributory basis.
Automobile or Vehicle Liability	\$1,000,000 combined single limit per occurrence	<ul style="list-style-type: none"> • Must cover owned, non-owned, hired, or borrowed vehicles. • Must include each Toyota Party as an additional insured on a primary and non-contributory basis.

TYPE OF INSURANCE	MINIMUM LIMITS	COVERAGE & POLICY REQUIREMENTS
Workers' Compensation	Statutory limits complying with Legal Requirements in jurisdictions applicable to Supplier Representatives or where work under the Agreement is to be provided or performed	<ul style="list-style-type: none"> • If Supplier Representatives will be working on the premises of a Toyota Party, an alternate employer endorsement is required.
Employer's Liability	\$1,000,000 for all claims in one policy period	
Commercial Crime	\$1,000,000 each loss	<ul style="list-style-type: none"> • Must cover fraudulent, dishonest, or unauthorized acts of Supplier Representatives, whether acting alone or in collusion with others, and for losses occurring through electronic fraud or theft of any kind. • Only required if Supplier Representatives will (a) have access to or enter the premises of a Toyota Party unescorted; or (b) have access to Toyota Party money, securities, or other tangible property. • Must include coverage for third party property.
"All Risk" Commercial Property	Full (100%) replacement value of covered property	<ul style="list-style-type: none"> • Must cover: <ul style="list-style-type: none"> ○ all Supplier Property, including: <ul style="list-style-type: none"> – Supplier stock, inventory, tooling, and components (including those provided by a Toyota Party), – machinery, – equipment, – computer systems, – Supplier Property located on premises of a Toyota Party, – Supplier Property in transit, and – all other property for which Supplier is responsible, including furniture, fixtures, and other property and all leasehold improvements; and ○ at least 90 days business interruption or business income coverage. • Must include each Toyota Party as loss payee for any Tooling, Tooling components, or other property provided by or on behalf of a Toyota Party to Supplier, if applicable.
Product Liability	\$15,000,000, which may be satisfied by a combination of general/products liability and umbrella/excess coverage	<ul style="list-style-type: none"> • Must include each Toyota Party as an additional insured on a primary and non-contributory basis. • Coverage must be continuously maintained for a period of 15 years after the termination of these Terms for Supplier Items provided during the applicability of these Term.

APPENDIX OF DEFINED TERMS

The following terms can be found in the Section identified below.

Act	5.7.7	Public Instrument.....	9.2.3(a)
Agreement	2.1	RDDP	5.7.3
Alternative Products.....	3.8.3	Required Changes	5.1.1
Continued Supply License.....	5.7.2(c)	Response Period	6.4.9(a)
Current Model Service Parts	5.2.1	RP Costs.....	3.6.5
Dealers and Distributors.....	6.4.9(b)(i)	Service Part Literature	5.2.5
Default	6.9.3(a)	Software License.....	5.7.2(b)
Delay	3.8.1	SPT Costs	4.4
Delivery Change.....	3.6.2	Substitute Items.....	3.8.2
Developed Item	5.7.4	Supplemental Development Agreement.....	5.7.4
Dispute Notice	8.12.2	Supplier	Intro
EAR.....	5.3.2(c)	Supplier Intellectual Property.....	5.7.2
Employee Obligations.....	9.2.3(c)	Supplier Owned Toyota Production Tooling	4.4
Expedited Shipment	3.6.3	Supplier Payables.....	3.3.1
Forecast Volumes	3.1.2	Supplier’s Warranties	6.4.1
FRP Prices.....	3.6.5	Termination Payment	6.9.5(a)
Guiding Principles	1.1	Terms.....	Intro
Indemnified Claim.....	7.1	Testing and Certification.....	5.3.3
Investigation	1.4	Tooling Contract.....	4.5
Item Data	5.7.6	Tooling Price.....	3.2.2
Item Specifications	1.3	Toyota Intellectual Property.....	5.7.1
Items	2.1	Toyota Price	3.2.1
Mexican Toyota Party.....	9.2.1	Toyota Property	5.5.2
Negotiated Matter.....	1.2	USML	5.3.2(b)
Past Model Service Parts	5.2.2	Warranty Claim	6.4.5
Production License	5.7.2(a)	Warranty Cost Settlement Procedures	6.4.8
Projected Force Majeure Expenses.....	3.9.2		

As used in these Terms, the terms below have the following meanings.

“Accepted Items” means conforming Items accepted by a Toyota Party.

“Accepted Tooling” means Tooling or Supplier Owned Toyota Production Tooling that can manufacture or produce Accepted Items as determined by a Toyota Party and evidenced in a Contract Document, and, in the case of Tooling, has been tagged as an asset of the applicable Toyota Party as described in Section 4.2.

“Certified Diverse Suppliers” means those suppliers that have been recognized as being in current and good standing with one of the following diversity councils: (a) the National Minority Supplier Development Council (“NMSDC”) or the Canadian Aboriginal Minority Supplier Council (“CAMSC”) as an ethnic minority-owned business; (b) the Women’s Business Enterprise National Council (“WBENC”) or WBE Canada as a women-owned business; (c) the National LGBT Chamber of Commerce (“NGLCC”) as an LGBT-owned business; (d) the National Veteran Business Development Council (“NVBDC”) as a veteran-owned business; or (e) Disability: IN as a disability-owned business.

“Change of Control” means (a) a consolidation or merger of Supplier with or into any other Person; (b) a sale, transfer, or other disposition of all or substantially all of the assets of Supplier; or (c) an acquisition by any Person (or group of Persons acting in concert) of beneficial ownership of more than 50% (or such lesser percentage that constitutes power to direct or cause the direction of the management and policies of Supplier, whether through

the ownership of voting securities (or other ownership interest), by contract or otherwise) of the outstanding voting securities or other ownership interests of Supplier.

“Confidential Information” means, subject to the below exclusions, all information disclosed by or on behalf of a Disclosing Party, in connection with the Purpose, that: (a) is marked “confidential” at the time of disclosure (or, if initially orally disclosed, in a subsequent notice sent to the Recipient within 10 days after initial disclosure, identifying the specific information to be treated as “Confidential Information”); (b) is of such a nature that the Recipient should have reasonably understood, at the time of receipt, that the information was “Confidential Information;” (c) Personal Data, financial and credit information, drawings, schedules, reports, plans and technologies, trade secrets, know-how, ideas, concepts, designs, drawings, sketches, flow charts, approaches, diagrams, data, research, methodology, specifications, materials, samples, processes, computer programs, hardware configurations, progress reports, methods research, procurement procedures, communication strategies, activities and procedures reports, pricing and cost information, forecasts, distribution, or any other personal or intellectual property (including Intellectual Property) of or relating to the Disclosing Party, regardless of the manner and method of disclosure, including all derivative works, documents, and materials based on the Confidential Information; or (d) the fact, substance, status, and terms of these Terms or the Contract Documents, and any discussions related thereto. “Confidential Information” does not include information (as long as such information is not Personal Data), to the extent that the Recipient establishes that the information: (x) is or becomes known or available to the public through no fault, directly or indirectly, of the Recipient; (y) is known to the Recipient prior to its receipt, or becomes known to the Recipient in good faith free of any obligations of confidentiality from a third party who has a lawful right to disclose the information; or (z) has been independently developed by the Recipient without reference to or use of, in whole or in part, the Disclosing Party’s Confidential Information. The exceptions in the clauses (x)–(z) do not apply to Personal Data. To the extent any portion of the Confidential Information falls within any of these exceptions, the remainder will continue to be Confidential Information subject to these Terms.

“Conforming Invoice” means, an invoice issued by Supplier to the applicable Toyota Party for Supplier Payables in strict conformity with the applicable Payment Procedures. To be a Conforming Invoice for Accepted Tooling Supplier Payables, such invoice must be submitted separately and may not include any Supplier Payables other than those arising from the Accepted Tooling. For PDAD Items, to be a Conforming Invoice for Supplier Payables arising from Product development expenses and Accepted Tooling, such invoice must include (a) the Toyota Party’s purchase order number; (b) the vehicle code; (c) the program description; (d) a description of the development work or Tooling; and (e) such other information as any Toyota Party may request.

“Contract Documents” means, collectively, those Specific Contract Documents and Generic Contract Documents designated by a Toyota Party and as may be exchanged, updated, added, superseded, or deleted by a Toyota Party.

“Current Models” means, collectively, any new Vehicle model to be produced or any Vehicle model currently in production.

“Disclosing Party” means, as between Supplier and the Toyota Parties (or any of their respective Representatives, affiliates, parents, or subsidiaries), the party disclosing Confidential Information, or on whose behalf Confidential Information is disclosed, to the Recipient.

“Dispute” means each dispute, claim, or cause of action arising out of or relating to the Agreement or an Item, including any alleged violation of the Agreement, any controversy relating to the interpretation or enforceability of Section 8.12, the arbitrability of any dispute, or any claim that these Terms or a Contract Document (or any part thereof) is invalid, illegal, or otherwise voidable (or void).

“Electronic Forms” means electronic Contract Documents, including electronic purchase orders, price confirmations, and other electronic forms.

“Environmental Reports” means, collectively, (a) any and all Safety Data Sheets (SDS), Chemical Abstracts Service (CAS) Numbers, and material and ingredient information that are related, directly or indirectly, to the Items (or Products used in subassemblies or in the manufacture, performance, processing, or production of Items); and (b) such other information and documentation as a Toyota Party may request that is required or prepared pursuant to Legal Requirements or Toyota Requirements relating to environmental, sustainability, occupational health, safety, or similar matters.

“Executable Code” means software delivered in machine readable object code.

“Fabricated Returnable Packaging” means the Returnable Packaging fabricated and manufactured by a Fabricator, including the development of any design services, software, or other Intellectual Property for Returnable Packaging.

“Fabricators” means any third party suppliers designated at the direction of a Toyota Party to fabricate and manufacture Returnable Packaging.

“Force Majeure Event” means any unforeseen circumstances beyond the reasonable control of Supplier, which could include, by way of example, acts of God, actions by any government authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, embargoes, acts of terrorism, sabotage, or court injunction or order; provided that (a) no Supplier Party was a cause of such event or otherwise was at fault or negligent; and (b) such cause could not have been prevented or mitigated through commercially reasonable efforts or precautions.

“Foreign Official” means any (a) former or current officer, official, or employee, regardless of rank or title, of any government, department, agency, or instrumentality of any government (including a government-owned commercial enterprise), any political party, or any public international organization; (b) political party; (c) candidate for political office; or (d) any Person acting on behalf of another Foreign Official.

“Generic Contract Documents” means documents generic to all Suppliers (such as the Supplier Quality Assurance Manual, the Supplier Logistics Instruction Manual, the Green Supplier Requirements, warranty cost share manuals, and other quality, packaging, technical, or other manuals; environmental sustainability and corporate responsibility standards; all information systems, usage, and security requirements, policies, and procedures; data handling requirements; purchasing and accounting systems; the Toyota Policies; and similar documents) generated or provided (or otherwise approved in writing) by or on behalf of a Toyota Party to supplement these Terms and further define the relationship between the parties and all documents incorporated by reference therein (notwithstanding the fact that such documents may not be attached thereto), each as amended, restated, supplemented, or otherwise modified.

“Inspection Period” means the period beginning when an Item is delivered to a Toyota Party until the later to occur of (a) a reasonable period of time after delivery to the applicable Toyota Party; (b) the Toyota Party completes its final inspection of the Vehicle into which the Items are incorporated and its written release of the Vehicle for delivery; or (c) for those Items for which conformity with the Agreement may not be ascertained until such Items are installed, tested, tuned, calibrated, or used in trials in conjunction with other Products or Vehicles, as determined by the Toyota Party, the time required after receipt by the Toyota Party for such activity.

“In-Service Date” means the first date a Vehicle is either delivered to an ultimate purchaser, leased, or used as a company car or demonstrator.

“Intellectual Property” means, collectively, for any party (a) any patent, trade secret, trademark, service mark, copyright, mask work, or other intellectual property right, whether registered or unregistered, of such party in information (electronic or written), documents, or property; and (b) all sketches, models, drawings, specifications, requirements, Software Documentation, blueprints, CAD designs or renderings, process sheets, dimensional layouts, test and trial result data, or other data, in each case, that are proprietary to or licensed by such party and that are

used, directly or indirectly, or otherwise made available to the other party for or in connection with the design, development, engineering, manufacture, processing, supply, production, or repair of any Items.

“IP Infringement Claim” means a claim or allegation that any Item, any Product that is incorporated into an Item, or the use of any Item in a Vehicle or Product for such Item’s intended purpose infringes a third-party’s intellectual property right (a) in the United States, Canada, Mexico, the European Union, or Japan; and (b) in another jurisdiction if Supplier has knowledge or notice of the actual or alleged infringement in that other jurisdiction at any time and fails to promptly disclose it to a Toyota Party in a manner and at a time that allows such Toyota Party to adequately respond to any such claim.

“Legal Requirements” means all applicable federal, international, foreign, state, local, and provincial laws, statutes, acts, codes, rules, regulations, principles of common law, orders, conventions, ordinances, or standards of or applicable to (a) the United States, including the laws of each protectorate or territory thereof, as applicable; (b) any other countries of destination for the Vehicles produced by the Toyota Parties or manufactured and sold as part of any Toyota Production; or (c) any other jurisdictions where Items (or Items used in subassemblies or in the manufacture or production of Products) are manufactured, processed, produced, delivered, acquired, or supplied, including, for each of clauses (a)–(c), those which, directly or indirectly, relate to (u) the design, development, engineering, manufacture, processing, production, or performance of vehicles, vehicle equipment, vehicle accessories, vehicle materials, or vehicle supplies; (v) the labeling, packaging, repackaging, handling, transportation, storing, shipping, importation, exportation, taxation, licensing, approval, certification, sale, or marketing of any Item or Vehicle incorporating any Item; (w) the environment, vehicle safety, employment, including wages, hours, and conditions of employment, subcontractor selection, discrimination, immigration, and occupational health and safety; (x) data protection, privacy, or data handling; (y) competition or antitrust laws; or (z) Trade Laws.

“Licenses” means, collectively, the Production License, the Software License, and the Continued Supply License.

“Local Community” means any community in which the Toyota Parties’ team members and families live and work.

“Loss” or “Losses” means losses, liabilities, damages (including punitive damages), deficiencies, demands, claims, suits, actions, fines, penalties, taxes, interest, expenses, injuries, restitution, or other remedies, at law or in equity, whether direct, indirect, incidental, or consequential or arising from contract or otherwise (including arising in tort, by statute, or other grounds), or from lawsuits, arbitrations, mediations, administrative proceedings, regulatory proceedings, other adversarial proceedings, orders, or judgments, including reasonable attorneys’ fees, consultant fees, and costs of defense or costs of pursuing indemnification or insurance providers.

“NAMC” means each North American manufacturing company directly or indirectly owned, whether in whole or in part, by TMC, including:

- Canadian Autoparts Toyota Inc.;
- Mazda Toyota Manufacturing, U.S.A., Inc.;
- TABC, Inc.;
- Toyota Motor Manufacturing Canada Inc.;
- Toyota Motor Manufacturing de Baja California, S. de R.L. de C.V.;
- Toyota Motor Manufacturing de Guanajuato, S.A. de C.V.;
- Toyota Motor Manufacturing, Alabama, Inc.;
- Toyota Motor Manufacturing, California, Inc.;
- Toyota Motor Manufacturing, Indiana, Inc.;
- Toyota Motor Manufacturing, Kentucky, Inc.;
- Toyota Motor Manufacturing, Mississippi, Inc.;
- Toyota Motor Manufacturing, Missouri, Inc. (d/b/a Toyota Motor Manufacturing Missouri and Toyota Motor Manufacturing Tennessee; f/k/a Bodine Aluminum, Inc.);

- Toyota Motor Manufacturing, Northern Kentucky, Inc.;
- Toyota Motor Manufacturing, Texas, Inc.; and
- Toyota Motor Manufacturing, West Virginia, Inc.

“New Vehicle Limited Warranty” means each applicable new vehicle limited warranty and component warranty offered by the Toyota Parties to Vehicle owners. Copies of each such warranty are publicly-available on the “Owners” page at Toyota.com and Lexus.com or upon request to a Toyota Party. In the event the Agreement is utilized to purchase Items installed on Vehicles that are not badged Toyota or Lexus, copies of applicable warranty documents will be provided to Supplier promptly upon request to the extent such warranty documents are not publicly-available. The Toyota Parties may modify the New Vehicle Limited Warranty at any time, which modification will be effective prospectively to Items manufactured as of and after the effective date of any such modification.

“Open Source Software” means any software that is provided under a license that has been accepted by the Open Source Initiative as complying with the Open Source Definition.

“Payment” means money, a gift, a loan, an in-kind service, an upgrade, or any other thing of value, whether monetary or not.

“Payment Procedures” means such processes, procedures, and systems as are designated by the Toyota Parties, including the Payment Systems, for the payment of Supplier Payables.

“Payment Systems” means the electronic invoice and payment systems of the Toyota Parties.

“PDAD Item” means any Item that is designed, developed, conceptualized, or engineered by the Service Parts and Accessories Development division of TMNA, or any successor division thereof.

“Person” means any entity, corporation, company, association, joint venture, joint stock company, partnership, trust, organization, individual (including personal representatives, executors, and heirs of a deceased individual), nation, state, governmental authority, trustee, receiver, or liquidator.

“Personal Data” means (a) any personally-identifiable information that is capable of identifying a natural person, including (i) name, address, telephone number, e-mail address, social security number, vehicle identification number, or driver’s license number, (ii) state-issued identification card number, or (iii) an account number or credit or debit card number, in combination with or without any required security code, access code, or password that would permit access to an individual’s financial account; (b) any “non-public personal information” under 15 U.S.C. § 6809 of the Gramm-Leach-Bliley Act, and data subject to protection under The General Data Protection Registration (EU) 2016/679 or any other Legal Requirements protecting information linked to a particular individual from disclosure, use, or reproduction; (c) any “personally identifiable health information” as defined at 45 C.F.R. § 160.103; and (d) other data, including identifiers, demographic, or behavioral data, when such data, either alone or in combination with other data, could be used to identify a specific person.

“PMSP Period” means the 15-year period after the conclusion of all Current Model production Item purchases for a particular Vehicle model or such longer period as may be required by Legal Requirements.

“Product-Related Claim” means any demand, claim, suit, or action brought by any party under any cause of action in law or equity, whether on an individual, class action, or other representative or enforcement basis, for or on account of personal injury, death, economic loss, or other intangible loss, civil penalties, or real or tangible property damage allegedly caused by, resulting from, or related to, directly or indirectly, the manufacture, production, construction, design, engineering, formulation, development of standards, preparation, processing, assembly, testing, listing, certifying, warning (including a failure to warn or inadequate warnings), instructing, marketing, advertising, packaging, or labeling of any Item, any Vehicle or Product into which an Item is incorporated, or any Product that is incorporated into an Item.

“Production Timetable” means the production timeframe for Tooling as designated in a Contract Document.

“Products” means raw materials, tooling (including, as applicable, Tooling), export parts, trial parts, goods, production parts, service parts, accessories, components, software and intellectual property, and tools and supplies and the direct or indirect supply of services related to any of the foregoing (including any changes, updates, or modifications to any of the foregoing).

“Prohibited Person” means (a) a Person who appears on any applicable Restricted Party Lists; (b) the government, including any political subdivision, agency, instrumentality, or national thereof, of any country against which the United States, Canada, Mexico, or any other applicable country maintains comprehensive economic sanctions or embargoes; (c) a Person acting or purporting to act, directly or indirectly, on behalf of, or a Person owned or controlled by, any of the Persons listed in clause (a) and clause (b); or (d) a Person with whom dealings are prohibited or restricted on account of any Legal Requirements of the United States, Canada, Mexico, or any other applicable country.

“Property” means machinery, equipment, jigs, fixtures, test gauges, molds, patterns, transportation equipment, systems, technology, and other similar items.

“Purpose” means the supply, design, development, engineering, processing, manufacturing, production, repair, or other provision of Items to the Toyota Parties.

“Quality Standards” means the Toyota Requirements related to quality and additional quality assurance procedures for particular Items separately prescribed in a Contract Document.

“Recall” means a determination by any Toyota Party, whether voluntary or by order of a governmental authority or agency in a jurisdiction in which a Vehicle or Item is distributed, to offer to owners, dealers, distributors, or other purchasers of Vehicles or Items (including Products into which a Software Item is incorporated) to provide remedial action in the form of a repair, replacement, reimbursement, or repurchase to address a defect, quality concern, or failure to comply with the Toyota Requirements or Legal Requirements. “Recall” includes (a) those campaigns that offer to remedy defects related to motor vehicle safety or emissions or noncompliance with applicable safety or emissions regulations in the jurisdiction in which the Vehicles or Items are distributed; and (b) any other offer to (i) extend the Warranty Period for a Vehicle or Item, or (ii) repair, replace, reimburse, repurchase, maintain, modify, or improve the quality, reliability, durability, performance, operation, serviceability, or safety of a Vehicle or Item, in each of clause (a) and clause (b) whether for the purpose of customer satisfaction or otherwise.

“Recipient” means, as between Supplier and the Toyota Parties (or any of their respective Representatives, affiliates, parents, or subsidiaries), the party receiving Confidential Information, directly or indirectly, of the Disclosing Party. Where context requires, “Recipient” includes any other person or entity to whom a Recipient discloses Confidential Information in accordance with Section 5.6.1.

“Rejected Items” means any Item or shipment of Items that is rejected as nonconforming to the Toyota Requirements, any Contract Document, or these Terms by a Toyota Party before the end of the Inspection Period. In the case of Tooling, it will be considered a “Rejected Item” if, at any time, the Tooling is not producing Items in strict conformity with the Toyota Requirements, any Contract Document, or these Terms, or is otherwise nonconforming, as determined by Toyota Party.

“Remedial Work” means the repair, remarking, reworking, resorting, or disposal of any Rejected Items, which may include performing such additional work (including the expense of any materials) as is necessary to cause such Rejected Items to be fully conforming.

“Representatives” means the applicable Person’s officers, directors, employees, agents, contractors, consultants, and representatives, including legal, financial, and accounting advisors.

“Restricted Party Lists” means applicable export-related or sanctions-related lists of restricted parties maintained by the United States, Canada, Mexico, and other applicable governments, including OFAC’s Specially Designated Nationals and Blocked Persons List, the schedules of listed persons or entities in any of Canada’s Trade Laws, and the EU Consolidated List.

“Returnable Packaging” means returnable packaging, items, equipment, or goods that a Toyota Party deems advisable or necessary for the delivery of Items.

“Service Parts” means, collectively, Current Model Service Parts and Past Model Service Parts.

“Software Deposit Materials” means the Source Code for software licensed from Supplier pursuant to the Agreement, as well as, any associated documentation, specifications, third party dependencies, related libraries, internal repositories, and other components or information (e.g., test scripts, build environment, open source libraries) necessary to recreate a live production environment, build the software binary, and verify the software’s functionality, and other materials or information requested by a Toyota Party.

“Software Documentation” means such documentation that explains the installation, use, and operation, as well as the design, coding, testing, maintenance, build, configuration, and other internal operations, of any Software Item.

“Software Flaw” means (a) any omission or other error in or relating to any Software Item causing the software to operate such that it is not in compliance with Supplier’s Software Documentation or the Toyota Requirements; or (b) any security vulnerability, weakness, defect, or flaw in the software.

“Software Item” means an Item that is software, including software that is embedded into any Item at the time of delivery and software delivered in Executable Code or Source Code, and any updates, maintenance releases, and new versions thereof.

“Source Code” means software delivered in human readable form.

“Specific Contract Documents” means documents specific to Supplier (such as thank you letters, purchase orders, accessory action notices, releases, manifests, specifications, drawings, and RDDPs) generated or provided (or otherwise approved in writing) by or on behalf of a Toyota Party to supplement these Terms and further define the relationship between the parties and all documents incorporated by reference therein (notwithstanding the fact that such documents may not be attached thereto), each as amended, restated, supplemented, or otherwise modified.

“Supplier Parties” means, collectively, Supplier and its subcontractors, suppliers, and subsuppliers and any of Supplier’s or its subcontractors’, suppliers’, or subsuppliers’ Representatives. “Supplier Party” means any of the Supplier Parties individually.

“Supplier’s Financial Information” means the financial information and business records related to Supplier’s performance under the Agreement and such other financial information concerning Supplier’s condition and operations as a Toyota Party may reasonably request.

“TEMA” means Toyota Motor Engineering & Manufacturing North America, Inc.

“TMC” means Toyota Motor Corporation.

“TMNA” means Toyota Motor North America, Inc.

“TMNA Affiliates” means any current and future business entities that, directly or indirectly, control, are controlled by, or are under common control with TMNA (and for purposes of this definition only, the term “control” means the legal, beneficial, or equitable ownership, directly or indirectly, in such entity).

“TMS” means Toyota Motor Sales, U.S.A., Inc. and its direct and indirect subsidiaries, including Toyota Logistics Services, Inc.

“Tooling” means, collectively, such production-based tooling, jigs, dies, gauges, fixtures, models, molds, and patterns, for which a Toyota Party has issued a Tooling Authorization, as are required for Items (a) already identified to a Vehicle in production or contribute to or accompany a Vehicle in production; or (b) for a Vehicle that is beyond the prototype stage of engineering or production, in all cases regardless of whether such Tooling is assigned a Toyota Party asset tag or other material identifying number or badge or whether such an asset tag or badge is actually affixed to such Tooling.

“Tooling Authorization” means the Contract Documents designated by a Toyota Party that collectively identify the Tooling to be manufactured or produced by Supplier (or on its behalf) and purchased by the Toyota Party. For the avoidance of doubt, the tooling authorization number generated by a Toyota Network application does not constitute a “Tooling Authorization.”

“Tooling Completion Date” means the date by which the Tooling must be completed as set forth in the Production Timetable.

“Tooling Purchase Order” means the Specific Contract Documents designated by a Toyota Party that collectively specify the terms of purchase for any Tooling.

“Tooling Third Party” means any third party in possession of the Tooling, including any Toolmaker, any tier two supplier, or any other party involved in the operation or maintenance of the Tooling.

“Toolmaker” means a third party vendor that manufactures or produces Tooling.

“Toyota Indemnified Party” means the Toyota Party and its respective Representatives and successors and assigns.

“Toyota Networks” means the Toyota Parties’ internet networks, applications, or software, including toyotasupplier.com, SAP Ariba, or such other networks, applications, or software as may be designated by a Toyota Party.

“Toyota Party” means each of TMNA, TEMA, each NAMC, TMS, TMC, and each other TMNA Affiliate.

“Toyota Policies” means the Toyota Parties’ rules, regulations, policies, procedures, and programs made available to Supplier, as may be adopted and modified by a Toyota Party.

“Toyota Production” means the use of any Items for the design, development, engineering, manufacture, assembly, production, processing, repair, distribution, marketing, and sale of Vehicles, whether by incorporating, modifying, or assembling Products into Items or assembling or installing Items directly into Vehicles.

“Toyota Requirements” means all manufacturing, design, development, engineering, software, processing, specification, quality, security, performance, packaging, packing, delivery, shipping, routing, labeling, and other requirements, standards, policies, characteristics, and procedures of a Toyota Party as set forth in these Terms or any Contract Document, and any Item Specifications that have been approved by a Toyota Party.

“Trade Laws” means all applicable import, export control, economic sanctions, anti-boycott, and anti-bribery/corruption laws and regulations, including any requirements arising under laws and regulations

administered by the U.S. Homeland Department's Customs and Border Protection, the EAR, the International Traffic in Arms Regulations ("ITAR"), the various economic sanctions regimes administered by the U.S. Treasury Department's Office of Foreign Assets Control, the anti-boycott laws administered by the U.S. Commerce Department's Bureau of Industry and Security/Office of Antiboycott Compliance, the U.S. Foreign Corrupt Practices Act ("FCPA"), and other applicable United States and non-United States trade laws, including Canada's Special Economic Measures Act, United Nations Act, Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law), Export and Import Permits Act, the Freezing Assets of Corrupt Foreign Officials Act, and the Corruption of Foreign Public Officials Act.

"Triggering Event" means the occurrence of any of the following: (a) Supplier is the subject of a bankruptcy or insolvency proceeding; (b) a Supplier Default; or (c) a Change of Control and the surviving Person is a competitor of any Toyota Party.

"Vehicles" means vehicles designed, developed, manufactured, or sold by a Toyota Party, whether exclusively or in collaboration with another Person.

"Warranty Period" means the period (a) beginning on (i) the In-Service Date of the Vehicle in which the applicable Item was installed, or (ii) for Items that are replacement parts or service parts, the date such Item was purchased from an authorized dealer or distributor; and (b) ending on the latest to occur of (i) the expiration date of the applicable New Vehicle Limited Warranty, (ii) 12 months from the date the Item is purchased by a customer from an authorized dealer or distributor, or (iii) the date required by Legal Requirements. For purposes of the Agreement, the Warranty Period will not be lengthened by any extended service contract that may be purchased by a customer or any certified used or certified pre-owned warranty applicable to a Vehicle. The applicable New Vehicle Limited Warranty may vary in length, duration, and scope; therefore, even if Supplier provides the Toyota Parties with a uniform Item, the Warranty Period applicable to each Item will vary if it is installed in or incorporated into different Vehicles with differing warranties.