

MELLING TOOL CO. PURCHASE ORDER TERMS AND CONDITIONS

1. OFFER; ACCEPTANCE.

(a) This purchase order ("Order") is an offer to Seller by Melling Tool Co. and/or its affiliates and divisions listed on the face of the Purchase Order (hereafter "Buyer") for the purchase of goods and services described on the Purchase Order or any of the documents incorporated into the Purchase Order in 1(c) below "Supplies"). This Order does not constitute an acceptance of any offer or proposal made by Seller. Any reference in this Order to any quote, offer or proposal made by Seller is solely to incorporate the description or specifications of the Supplies but only to the extent that the description or specifications do not conflict with the description and specifications of the Supplies in this Order. Seller's written acceptance, Seller's commencement of any work under this Order, or any other conduct by Seller that recognizes the existence of a contract with respect to the subject matter of this Order constitutes Seller's acceptance of these terms and conditions only. If this Order is found to be an acceptance of any prior offer or proposal by Supplier, such acceptance shall be limited to and conditional upon Supplier's acceptance of the terms of the Order exclusively.

(b) Seller acknowledges that Buyer is purchasing Supplies for use in a tiered supply chain, or under other circumstances in which timely manufacture and delivery is required, and that Buyer is relying upon Seller's agreement to timely manufacture and deliver to Buyer the Supplies at the price, in the quantities and on the other terms and conditions stated in the Order to allow Buyer to fulfill its contract to sell goods which incorporate the Supplies to Buyer's Customer. Buyer's Customer means any entity to which Buyer, directly or indirectly, sells the Supplies, or sells any goods or services into which the Supplies are incorporated, including any original equipment manufacturer and any upper tier Seller to an original equipment manufacturer. Accordingly, Seller may not terminate the Order before expiration. Seller's written acceptance of the Order, commencement of any work under this Order, or any other conduct by Seller that recognizes the existence of a contract with respect to the subject matter of this Order constitutes Seller's acceptance of these terms and conditions only. If this Order is found to be an acceptance of any prior offer or proposal by Supplier, such acceptance shall be limited to and conditional upon Supplier's acceptance of the terms of the Order exclusively.

(c) Except and only to the extent that they do not conflict with the terms on the face of the Purchase Order, the following documents are incorporated into the agreement between Buyer and Seller

relating to the Supplies: (i) any signed letters of intent, memorandum of understanding, supply agreement and nomination/award letter; (ii) Material Releases (as defined below) issued by Buyer to Seller under the Order (iii) the Statement of Work ("SOW"), prints and specifications for the Supplies; and (iv) Buyer's policies, as revised by Buyer from time to time. Buyer's policies include, without limitation quality assurance documents, logistics guidelines, packaging and logistics specifications, manuals and quality assurance policies. Buyer's policies may be obtained by contacting the purchasing representative assigned to Seller. The terms of Buyer's customer's ("Buyer's Customer") contracts with Buyer may also be applicable (and incorporated into the Order) pursuant to these terms. Buyer's Customer means any entity to which Buyer, directly or indirectly, sells the Supplies, or sells any goods or services into which the Supplies are incorporated, including any original equipment manufacturer and any upper tier Seller to an original equipment manufacturer.

(d) In the event of any conflict between and among any document incorporated into the Order, the following controls in order of precedent: (i) the face of the purchase order (also referred to as "in the Order"; (ii) the final SOW, prints and specifications; (iii) these Purchase Order Terms and conditions; (iv) Material Releases; (v) signed documents listed in (b)(i) above; and (vi) Buyer's Policies.

(e) THIS ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS OF THIS ORDER AND ANY ADDITIONAL OR DIFFERENT TERMS, WHETHER CONTAINED IN SELLER'S QUOTATION FORM, ACKNOWLEDGEMENT FORM, INVOICE OR OTHERWISE, ARE UNACCEPTABLE TO BUYER AND EXPRESSLY REJECTED BY BUYER, AND SHALL NOT BECOME PART OF THIS ORDER. This Order can be modified only in the manner described in Section 36.

(f) In the event of any ambiguities, express conflicts or discrepancies in the specification, drawings or other documents which are part of the Order, Seller shall immediately submit the matter to Buyer for its determination and shall comply with fully with Buyer's determination. Buyer is relying upon the expertise of Seller in the selection, manufacture and integration of the Supplies. If Seller is made or becomes aware that the Supplies are not appropriate for the use intended by Buyer or that the specifications given to Seller by Buyer or Buyer's Customer will result in less than optimal performance of the Supplies, Seller shall immediately notify by Buyer. Seller shall also notify Buyer if the location of the Supplies within the vehicle will affect their

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performance or if additional fusing or shielding of the Supplies (different than that called out in the prints or specifications) is necessary for the Supplies to perform for its intended use.

2. INVOICING; PRICING; CORRESPONDENCE.

(a) Unless otherwise stated in the Order, the purchase price: (i) is a firm fixed price for the duration of the Order and not subject to increase for any reason, including increased raw material costs, increased labor or other manufacturing costs, increased development costs, currency fluctuations or changes in volumes or program length from those estimated or expected; (ii) is inclusive of all federal, state, provincial, value added and local taxes and any duties applicable to provision of the Supplies; and (iii) is inclusive of all storage, handling, freight, packaging and all other expenses and charges of Seller.

(b) Invoices shall be issued by Seller to Buyer no earlier than on or after delivery of the Supplies to the plant in which the Supplies will be used Buyer in accordance with the Order and payment shall be deemed to occur upon payment of any paper draft or wire transfer of payment into the account of Seller. Seller shall, at its expense, comply with Buyer's instructions and policies with respect to the form, content and method for submission of invoices. All invoices under this Order must reference the purchase order number, amendment or release number, Buyer's part number, Seller's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, Seller's name and number, bill of lading number, and other information required by Buyer. All correspondence must include the purchase order number. If requested by Buyer, all invoices under this Order must be accompanied by the Seller's sworn statement indicating the status of payments to Seller's subcontractors and suppliers as of the date of invoice, and, if requested by Buyer, all invoices must be accompanied by lien waivers, in form satisfactory to Buyer, executed by Seller and Seller's subcontractors and suppliers. Buyer may return incorrect invoices or related documents. Payment will be made against correct invoices and documentation, in accordance with the payment terms specified in this Order. The total price includes all freight, duty and tax, except for any value added tax (VAT) imposed by a non-USA jurisdiction, which must be shown separately on Seller's invoice for each shipment, and Buyer shall not be liable for any business activity taxes or taxes on or measured by net income of Seller, including without limitation the Michigan Single Business Tax.

(c) Seller represents and warrants that the prices for the Supplies in this Order will be no less

favorable than those which Seller presently, or in the future, offers for the same or similar goods or services, in similar quantities to any other customer. If Seller offers a lower price for the same or similar goods or services to any other customer during the term of this Order, then Seller will immediately offer Buyer the same price on the same terms and conditions as contained in this Order. Seller, at all times, must provide the Supplies competitive in the industry as to price, quality, delivery, technology and customer support with respect to third-parties' and Buyer's internal capacity. Buyer will inform the Seller if and in what manner the Supplies are not competitive. Within fifteen (15) days, Seller will develop an action plan to restore competitiveness and communicate this plan to the Buyer. The Buyer, in its sole discretion may accept the plan, modify the plan or reject the plan, in whole or in part. Seller's failure to meet any one or more of the requirements of this subsection is a basis for termination for cause. In addition, Seller shall participate in Buyer's (or Buyer's Customer's) cost savings and productivity programs and initiatives to reduce Seller's costs and pass those cost savings through to Buyer.

(d) Seller's insolvency and/or failure to pay its suppliers have the potential to create a disruption in the supply chain. If Buyer pays Seller's financial obligations to one or more of Seller's suppliers in order to continue the flow of Supplies to Buyer, whether or not Buyer has the legal obligation to do so, Buyer shall have a dollar for dollar setoff of funds so paid against any funds due Seller from Buyer and, if a setoff is insufficient for Buyer to fully recover its payments to Seller's suppliers, Seller shall pay the remaining balance within ten (10) days of Buyer's payment.

3. QUANTITIES; DELIVERY.

(a) Unless specifically stated otherwise on face of the Order, and subject to Buyer's termination rights under paragraphs 15 and 16 below, this Order is a requirements contract under which Buyer will purchase all (or, if multiply sourced, a specified percentage or range of Buyer's requirements as stated in the Order) for the length of the applicable vehicle manufacturer's program production life (including extensions and model refreshes as determined by the vehicle manufacturer). If the preceding sentence is deemed insufficient by a Court to set a definitive term, the term of the Order shall be the anticipated time period for the program as set forth in Buyer's RFQ documents together with an option granted to Buyer to extend the term for any extension of the vehicle platform announced by the vehicle manufacturer. Accordingly, Seller must perform pursuant to and may not reject a Material Release if the releases are within the quantities required by Buyer plus a reasonable safety stock.

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(b) Buyer is required to purchase only those quantities identified as firm orders in subsequent material authorization releases, manifests, broadcasts, or similar releases ("Material Release") or other instructions delivered by Buyer to Seller in connection with this Order. Material Releases are an integral part of the Order, are governed by these terms and are not independent contracts.

(c) Buyer has or may provide Seller with volume or quantity forecasts or projections for the Supplies or the anticipated duration of the program. Seller acknowledges that the volume/duration projections, unlike a Material Release, are not binding on Buyer. Seller acknowledges that the volume/duration projections are based upon information supplied to Buyer by Buyer's Customer, contain business variables and assumptions, some or all of which may change over time or may not have been accurate at the time that they were made or later. Buyer makes no representation, warranty or guaranty of any kind or nature as to the accuracy of the volume/duration projections and Seller acknowledges: (i) it relied upon the volume estimate or projection at its own risk; and (ii) that the actual volumes/duration could be significantly less or more than what was projected and that no price adjustment will be made as a result of the differences between actual and projected volumes. Buyer may purchase additional quantities of the listed Supplies at the prices set forth in this Order, including to bank or inventory Supplies, pursuant to Material Releases.

(b) If not otherwise specified in this Order, delivery of the Supplies shall be as follows: (i) for shipments originating in and shipping to points within the United States, the terms will be FCA (Incoterms 2010) Buyer's designated facility; for all other shipments, the delivery term shall be DDP (Incoterms 2010) with the Supplier bearing all transportation and unloading costs, customs duties, taxes and charges, including insurance and risks, until final delivery. The risk of loss passes from Seller to Buyer upon delivery to Buyer's designated facility in accordance with Incoterms, unless otherwise agreed to in writing by Buyer.

(c) Time and quantities are of the essence under this Order. Seller agrees to 100% on-time delivery of the quantities and at the times specified by Buyer, as set forth in this Order and related Material Releases, unless otherwise negotiated and agreed in writing by the parties. Failure to meet agreed delivery time and quantities shall be considered a breach of this Order and Seller shall pay to Buyer any damages or expenses imposed upon or incurred by Buyer as a result of such

breach. Seller acknowledges that deliveries may be "just-in-sequence" as well as "just-in-time" and that Seller will adapt its processes to insure on-time delivery.

(d) Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which entitles Seller to modify the price for the Supplies covered by this Order.

(e) Buyer is not obligated to accept early deliveries, late deliveries, partial deliveries, or excess deliveries.

4. PREMIUM FREIGHT; RELATED COSTS.

(a) Seller shall pay all premium freight costs over normal freight costs if Seller needs to use an expedited shipping method to meet agreed upon delivery dates due to its own acts or omissions. Unless otherwise provided in the Order, Buyer will provide if or as required number of weeks of firm releases and additional weeks for planning/raw material purchases if or as required. Seller shall pay any costs incurred by Buyer, including costs charged by Buyer's Customer(s) to Buyer, as a result of Seller's failure to comply with shipping or delivery requirements.

(b) Buyer shall not be liable for premium freight costs, unless specifically agreed to in advance, in writing, by Buyer.

5. PACKAGING; MARKING; SHIPPING; DISCLOSURE; SPECIAL WARNINGS OR INSTRUCTIONS.

(a) Seller agrees: (i) to properly pack, mark, and ship the Supplies in accordance with the requirements of Buyer, the involved carriers and the country of destination; (ii) to route the shipments in accordance with Buyer's instructions; (iii) to label or tag each container according to Buyer's instructions; (iv) to provide papers with each shipment showing the purchase order number, amendment or release number, Buyer's part number, Seller's part number (where applicable), number of pieces in the shipment, number of containers in the shipment, Seller's name and number, and the bill of lading number; and (v) to promptly forward the original bill of lading or other shipment receipt, showing the purchase order number, for each shipment in accordance with Buyer's instructions and carrier requirements. Buyer may specify the carrier and/or method of transportation for the shipment of the Supplies and Seller shall use such carrier and/or method of transportation.

(b) If requested by Buyer, Seller will promptly provide Buyer with the following information in the form requested: (i) a list of all ingredients in the

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Supplies; (ii) the amount of each ingredient; and (iii) information concerning any changes in or additions to the ingredients.

(c) Before and at the time the Supplies are shipped, Seller will give Buyer sufficient warning in writing (including appropriate labels on all Supplies, containers, and packing) of any hazardous material that is an ingredient or part of the Supplies, together with any special handling instructions that are needed to advise carriers, Buyer, and their employees how to take measures to prevent bodily injury or property damage while handling, transporting, processing, using or disposing of the Supplies, containers, and packing. Seller agrees to comply with all federal, state, provincial, and local laws and regulations pertaining to product and warning labels, including without limitation, all Material Safety Data Sheet (MSDS) requirements.

(d) Seller will reimburse Buyer for any expenses incurred as a result of improper packing, marking, routing, or shipping.

(e) In no event will shipping documents attached to or contained in the shipment display pricing information or any of Buyer's proprietary information.

(f) In the event that no packing requirements are provided by Buyer, Seller will pack the Supplies in accordance with applicable Automotive Industry Action Group (AIAG) packing requirements.

6. INSPECTIONS; NON-CONFORMING GOODS/SERVICES; AUDIT.

(a) Buyer and Buyer's customer(s), upon reasonable notice, may enter Seller's facility to inspect the facility and to conduct a routine audit of the production of the Supplies for any purpose whatsoever including, without limitation quality, cost, or delivery verification, audit materials and any of Buyer's property covered by this Order.

(b) Buyer's inspection of the Supplies, whether during manufacture, prior to delivery, or within a reasonable time after delivery, does not constitute acceptance of any Supplies, work-in-process or finished goods. Buyer's acceptance, inspection, or failure to inspect the Supplies does not relieve Seller of any of its responsibilities or warranties with respect thereto or constitute joint fault for any breach of this Order by Seller. Nothing in this Order releases Seller from the obligation of testing, inspection, and quality control of the Supplies.

(c) If non-conforming Supplies are shipped to and rejected by Buyer, Seller, at its sole expense, shall immediately ship conforming Supplies to Buyer in

place of the non-conforming Supplies, unless directed in writing by Buyer to do otherwise.

(d) In addition to other remedies available to Buyer for non-conforming Supplies, (i) Seller agrees to authorize return of the Supplies, at Seller's risk and expense at full invoice price, plus transportation charges; (ii) Buyer may correct, or have corrected, at any time Supplies that fail to meet the requirements of this Order; and (iii) Seller will reimburse Buyer for all reasonable costs and expenses that result from any rejection or correction of non-conforming Supplies, including the cost of inspection and/or sorting, whether done internally by Buyer or by a third-party.

(e) Seller will develop and document a corrective action plan within a commercially reasonable period after receipt of a non-conforming sample and will take whatever measures that are necessary to correct the non-conformity. Buyer, in its sole discretion, may require Seller to inspect the Supplies, at Seller's sole cost and expense, for a commercially reasonable period after discovery of non-conforming Supplies, including without limitation, after the corrective action has been taken.

(f) Payment for non-conforming Supplies is not an acceptance, does not limit or impair Buyer's right to assert any legal or equitable remedy, and does not relieve Seller's responsibility for latent or apparent defects.

(g) Seller will retain all documents, data and other records pertaining to the Supplies for at least two (2) years following the later of: the last delivery of the Supplies; the date of the final payment to Seller under the Order; or the expiration of any applicable warranty periods for the Supplies or of any applicable governmental or industry required retention periods.

(h) Seller will permit Buyer (or a third-party designated by Buyer) to review Seller's books and records concerning compliance with this Order and Seller's overall financial condition. Seller agrees that if Seller experiences any delivery or operational problems, Buyer may, but is not required to, designate a representative to be present in Seller's applicable facility to observe Seller's operations. Seller agrees that if Buyer provides to Seller any accommodations (financial or other) that are necessary for Seller to fulfill its obligations under this Order, Seller will reimburse Buyer for all costs, including attorneys' and other professionals' fees, incurred by Buyer in connection with such accommodation and will grant access to Buyer to use Seller's premises and machinery, equipment, and other property necessary for the production of the Supplies covered by this Order. If Seller becomes a debtor

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in bankruptcy or surrenders its assets to a lender or state court receiver and, Buyer, to obtain and/or continue the continuous flow of Supplies, participates in a post-petition (or post surrender) loan to Seller, Seller acknowledges and agrees that the funds advanced to participate in the loan (including attorney's fees) shall be deemed "cover" damages within the meaning of section 2-712 of the Uniform Commercial Code.

7. PAYMENT.

(a) Payment shall be made as set forth in this Order (or any related document(s) made part of this Order).

(b) If not otherwise specified on the face of the Purchase Order, Buyer's payment for all Supplies received by Buyer will be net 60 days from the time that at Buyer's facility .

(c) If Buyer has been directed by Buyer's Customer to use Seller as a supplier: (i) Buyer will pay Seller for the Supplies only following and to the extent of Buyer's actual receipt of payment from Buyer's Customer for Buyer's products in which the Supplies are incorporated; (ii) any lengthening of any payment terms by Buyer's Customer will automatically lengthen the payment terms to Seller by like amount; (iii) within three (3) business days of any change in price, specifications or other terms negotiated or proposed between Seller and the Customer, Seller will notify buyer in writing and will immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on Buyer without Buyer's written consent and a commitment by Buyer's Customer to pay the increased price.

(d) Buyer may withhold payment pending receipt of evidence, in the form and detail requested by Buyer, of the absence of any liens, encumbrances, or claims on the Supplies provided under this Order.

(e) Payment will be made in US Dollars unless otherwise agreed by the parties in writing.

(f) Seller acknowledges and agrees that no claim related in any manner to payment may be made by Seller to Buyer after one (1) year after Buyer's receipt of Supplies to which such claim relates.

(g) Buyer reserves the right to require, at any time, Seller to accept payment via Automated Clearing House (ACH) method or any other automated payment system used by Buyer.

8. CHANGES.

(a) Buyer reserves the right to direct changes, or to cause Seller to make changes, to drawings, specifications, samples or descriptions of the Supplies. All changes, however minor, must be documented in a numbered amendment to the Purchase Order issued by Buyer. Buyer also reserves the right to otherwise change the scope of the work covered by this Order, including work with respect to such matters as inspection, testing or quality control. Seller agrees to notify Buyer within ten (10) days, or sooner if required by Buyer's Customer, after receiving notice of a change if Seller expects that the change will result in a difference in price or time for performance. Buyer may request additional documentation from Seller of the need for a different price or time for performance. After receiving all requested documentation, Buyer may equitably adjust the price or time for performance. If Seller does not provide notice to Buyer within ten (10) business days after a change has been requested that the requested change may result in a difference in price or time for performance, the parties agree that Buyer's requested change will not affect the price or time for performance. Seller shall promptly make any approved changes whether or not price adjustment discussions have been completed or whether a price change has been granted.

9. WARRANTIES.

(a) Seller expressly warrants and guarantees to Buyer, to Buyer's successors, assigns and Buyer's Customers, and to users of Buyer's products, that all Supplies delivered to Buyer will: (i) conform to the specifications, standards, drawings, samples, descriptions, and revisions as furnished to or by Buyer; (ii) conform to all applicable laws, orders, regulations, or standards in countries where the Supplies or vehicles or other products incorporating the Supplies are to be sold, including without limitation the National Traffic and Motor Vehicle Safety Act (and the Federal Motor Vehicle Safety Standards) and any safety standards and all U.S. and European Union safety standards, Acts and regulations; (iii) be merchantable and free of defects in design, materials and workmanship; and (iv) be selected, designed, manufactured, and assembled by Seller based upon Buyer's intended use and be fit and sufficient for the purposes intended by Buyer and in the environment in which the Supplies operate. The foregoing warranties are in addition to those available to Buyer in law or equity.

(b) The warranty period is the longest of: (i) the warranty period offered by Buyer to Buyer's Customer accruing from the date Buyer accepts the Supplies; (ii) the warranty period provided by applicable law; or (iii) the warranty period offered

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by Buyer's Customer to end-users for the products into which the Supplies are incorporated, regardless of the time of acceptance of the Supplies.

(c) At Buyer's request, Seller shall fully participate in any root cause investigation or analysis conducted by Buyer and/or Buyer's Customer relating in any manner to the failure of the Supplies and provide all information requested by Buyer concerning the Supplies. In the event that the root cause analysis of a warranty failure is inconclusive but implicates the Supplies, the extent of Seller's liability to Buyer will be based upon a good faith allocation by Buyer of the responsibility for the warranty failure.

(d) In the event that Buyer or Buyer's Customer (or ultimately the vehicle manufacturer) voluntarily or pursuant to a government mandate, makes an offer to end-users to provide remedial action to address a defect or non-conforming condition of the Supplies (or any of Buyer's goods incorporating the Supplies), in connection with a recall campaign, service action or other corrective action ("Remedial Action"), the warranty shall continue for such time period as may be dictated by Buyer's Customer or the government unit.

(e) Seller may seek approval from Buyer for changes in the materials, process or manufacture of the Supplies after PPAP. Buyer may deny its approval for any change for any reason. As a condition precedent to seeking any change or PPAP deviation from Buyer, Seller must: (i) agree to pay all of the costs involved in re-PPAPing the Supplies including any testing which may reasonably be requested by Buyer and/or Buyer's Customer; (ii) agree not to charge more than the price on the Order or, if the manufacturing costs decrease as a result of the changes, pass through the decreased price to Buyer; (iii) agree that all future price decreases previously agreed to by Seller will be implemented; (iv) manufacture a bank of PPAPed Supplies in such quantities as Buyer may require for a successful transition; (v) support Buyer in PPAPing the Supplies; (vi) abide by the decision of the vehicle manufacturer whether to allow deviation from PPAP as final and binding; and (vi) fulfill all of the requirements imposed by the vehicle manufacturer and/or Buyer's Customer on Buyer including, without limitation, payment and/or reimbursement to Buyer for any costs reductions.

10. SUPPLIER QUALITY AND DEVELOPMENT; PPAP; PARTS IDENTIFICATION.

(a) Seller will conform to the quality control standards and inspection systems that are

established or requested by Buyer, and those established by Buyer's customer(s).

(b) Seller will also participate in supplier quality and development programs of Buyer, and (to the extent directed by Buyer) Buyer's customer(s) that apply to the Supplies described in this Order.

(c) Seller agrees to meet the full requirements of industry Production Part Approval Processes (PPAP) as specified by Buyer and (as applicable) Buyer's customer(s), and agrees to present this information to Buyer upon request, at the level requested, unless otherwise specifically agreed by Buyer in writing.

(d) Upon PPAP approval for the Supplies, Seller must continue to manufacture the Supplies in strict compliance with the PPAP approval including and may not change or alter in any manner (i) any third party supplier to Seller of the services, raw materials or supplies used by Seller in connection with its performance under the Order, (ii) any facility from which Seller and/or any such third party Seller operates and that relates in any way to the Supplies, or to services, raw materials or Supplies used by Seller in connection with performance under the Order, (iii) the price of any Supplies covered by the Order, (iv) the nature, type or quality of any services, raw materials or Supplies used by Seller or its Sellers in connection with the Order, (v) the fit, form, function, appearance or performance of any Supplies covered by the Order, or (vi) any production method, or any process or software, or any production equipment used in the production or provision of, or as part of, any Supplies under the Order. Seller acknowledges that any change in the Supplies from the approved PPAP level may materially and detrimentally affect the functionality of Buyer's products which incorporate the Supplies and may also affect the safe or required operation of the vehicle in which the assembly is installed.

(e) Seller may seek approval from Buyer for changes in the materials, process or manufacture of the Supplies after PPAP. Buyer may deny its approval for any change for any reason. As a condition precedent to seeking any change or PPAP deviation from Buyer, Seller must: (i) agree to pay all of the costs involved in re-PPAPing the Supplies including any testing which may reasonably be requested by Buyer and/or Buyer's Customer; (ii) agree not to charge more than the price on the Order or, if the manufacturing costs decrease as a result of the changes, pass through the decreased price to Buyer; (iii) agree that all future price decreases previously agreed to by Seller will be implemented; (iv) manufacture a bank of PPAPed Supplies in such quantities as Buyer may require for a successful transition; (v)

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support Buyer in PPAPing the Supplies; (vi) abide by the decision of the vehicle manufacturer whether to allow deviation from PPAP as final and binding; and (vi) fulfill all of the requirements imposed by the vehicle manufacturer and/or Buyer's Customer on Buyer including, without limitation, payment and/or reimbursement to Buyer for any costs reductions.

(f) All Supplies shall permanently bear Buyer's part number and name or code name, Seller's part number, and Seller's date of manufacture, unless otherwise agreed by Buyer in writing.

(g) As Melling companies are committed to continued development, strengthening, and preservation of our own Minority / Diversity procurement strategy, we encourage our suppliers (Sellers) to engage in Diversity Training. The overall goal is to ensure diverse suppliers have an equal opportunity to be included in sourcing and overall procurement strategy and process, while providing high-quality goods and services at a commercially competitive price.

11. REMEDIES.

(a) The rights and remedies reserved to Buyer in this Order will be cumulative with and in addition to all other or legal or equitable remedies available to Buyer. Seller is liable for all direct, incidental and consequential damages (including lost profits), losses, costs, and expenses incurred by the Buyer resulting from Seller's breach of warranty, its failure to deliver conforming and non-defective Supplies, to comply with the shipping and delivery or other requirements of the Buyer and/or its failure to comply with these terms, even if the Seller has cured the breach. These damages include without limitation costs, expenses and losses incurred directly or indirectly by Buyer: (i) in inspecting, sorting, storing, reworking, repairing or replacing the nonconforming Supplies; (ii) resulting from production interruptions at Buyer's or Buyer's Customer's facility; (iii) conducting or participating in Remedial Action(s) or other corrective service actions; or (iv) resulting from personal injury (including death) or property damage caused by the nonconforming Supplies. Buyer's damages include reasonable attorneys' fees and other professional fees, settlements and judgments incurred by Buyer and other costs associated with Buyer's administrative time, labor and materials.

(b) In any action brought by Buyer to enforce Seller's obligations in connection with the production or delivery of Supplies or transition support, for any deviation from PPAP or for possession of property, Seller acknowledges and agrees that monetary damages are not a sufficient remedy for any actual, anticipatory or threatened

breach of the Order and that, in addition to all other rights and remedies that Buyer may have, Buyer shall be entitled to specific performance and injunctive equitable relief as a remedy for any such breach, in addition to Buyer's reasonable attorneys' fees.

(c) If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty charge-backs for nonconforming Supplies, and will participate in and comply with warranty reduction or related programs of Buyer or Buyer's Customer that relate to the Supplies.

(d) If the Supplies or products sold by Buyer which incorporate the Supplies are subject to a Remedial Action, the extent of Seller's liability will be based upon a good faith allocation by Buyer (or Buyer's Customer) of responsibility for the Remedial Action. Buyer will notify Seller as soon as practicable after Buyer learns in writing that a Remedial Action being considered implicates the Supplies, and thereafter provide Seller with the data provided to it by Buyer's Customer relating to the potential Remedial Action. In the event Buyer's Customer sets-off the cost of a Remedial Action against sums due to Buyer and Buyer and/or Buyer's Customer determines, in good faith, that the Remedial Action was caused by the failure of the Supplies to conform to the quality standards and/or warranties set forth in these terms, in whole or in part, Buyer may immediately set-off the costs to Buyer of the Remedial Action against sums due to Seller prior to the allocation of responsibility set forth above.

12. INDEMNIFICATION.

(a) Seller hereby assumes the entire, sole responsibility for any injury to person, including death, or damage to property of any kind or nature caused by, resulting from or in connection with the furnishing of Supplies or services by Seller, its subcontractors, officers, agents, or employees. Buyer shall not be responsible for any injury to person or damage to property resulting from use, misuse or failure of any apparatus furnished to Seller by Buyer, and the use of any such apparatus by Seller shall constitute acceptance by Seller of all responsibility for any claims for such injury or damage. To the fullest extent permitted by law, Seller will defend, indemnify, and hold harmless Buyer, Buyer's successors and assigns, Buyer's customers (both direct and indirect, including manufacturers of vehicles in which the Supplies are incorporated), and dealers and users of the products sold by Buyer (or the vehicles in which they are incorporated), against all damages, claims, or liabilities and expenses (including attorneys' fees and other professionals' fees, settlements, releases and judgments) to the extent

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such damages, claims, or liabilities and expenses arise out of or relate in any way to Seller's representations, performance or obligations under this Order or under any legal theory related to the Supplies.

(b) If Seller performs any work on Buyer's or Buyer's customer's premises or utilizes the property of Buyer or Buyer's customer, whether on or off Buyer's or Buyer's Customer's premises: (i) Seller will examine the premises to determine whether they are safe for the requested services and will advise Buyer promptly of any situation it deems to be unsafe; (ii) Seller's employees, contractors, and agents will comply with all regulations that apply to the premises; and (iii) to the fullest extent permitted by law, Seller will indemnify and hold Buyer and Buyer's customer (and their respective officers, directors, employees, agents and successors and assigns) harmless from and against any liability, claims, demands, or expenses (including attorneys' fees and other professionals' fees, settlements, releases and judgments) for damages to the property of or personal injuries to Buyer, its customer, their respective employees, or any other person or entity to the extent such damages arise out of or relate in any way to Seller's work on the premises or Seller's use of Buyer's or Buyer's customer's property.

(c) Seller's obligation to defend and indemnify under this Section will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise.. Buyer has the right to be represented by and actively participate through its own counsel in the defense and resolution of any indemnification matters, at Seller's expense. The indemnification obligations of Seller set forth in this Agreement, including this Section, are independent of and in addition to any insurance and warranty obligations of Seller. The indemnification obligation under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the benefit of Seller under Workers' Compensation Acts, occupational disease acts, disability benefits acts or other employee benefits acts.

13. INSURANCE.

Seller shall, at its own expense, maintain and carry in full force and effect general liability, general automotive liability, public liability, workers' compensation liability and property damage (fire, casualty and theft) insurance. All insurance shall be maintained in such amounts and with such deductibles as are commonly carried by prudent businesses similarly situated or as is otherwise required by applicable law. Seller's insurance shall insure against any liability for loss, injury,

damage or claims caused by or arising out of or in connection with the operation of Seller's business including injury to or death of Seller's employees, agents, or any other persons and damage to or destruction of public or private property. If Buyer has bailed property with the Seller or will enter into Seller's facility or property, Buyer shall be named as an additional insured on the policies for such insurance and Seller shall provide certificates of such insurance to Buyer evidencing that Buyer is an additional insured. Such certificates shall state that Buyer will receive 30 days' prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. The existence or non-existence of insurance does not release Seller of its obligations or liabilities under this Order.

14. COMPLIANCE WITH LAWS.

Seller, and any Supplies supplied by Seller, shall comply with all applicable laws, including rules, regulations, orders, conventions, ordinances or standards, that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval, or certification of the Supplies and services related thereto, including, without limitation, laws relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health or safety, and motor vehicle safety. This Order incorporates by reference all clauses required by these laws. All materials used by Seller in the Supplies or in their manufacture shall satisfy applicable governmental and safety constraints on restricted, toxic, and hazardous materials as well as environmental, electrical and electromagnetic considerations that apply to the country of manufacture, sale or destination. Seller will indemnify Buyer against, defend Buyer and hold Buyer harmless from any liability claims, demands, or expenses (including attorneys' fees and other professionals' fees, settlements, releases and judgments) relating to Seller's noncompliance under this Section.

15. TERMINATION FOR BREACH OR NONPERFORMANCE.

Buyer reserves the right to terminate all or any part of this Order, without liability to Seller, if Seller: (i) repudiates, breaches, or threatens to breach any of the terms of this Order, including Seller's warranties; (ii) fails to perform or threatens not to perform services or deliver the Supplies as specified by Buyer in a Material Release or otherwise; (iii) failure to meet the quality requirements so as to endanger timely and proper performance of the Order; (iv) making an assignment for the benefit of creditors, or proceedings in bankruptcy or insolvency are instituted by or against Supplier; (v) a request by

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Supplier for accommodation from Buyer, financial or otherwise, in order to meet its obligations under the Order; (vi) fails to make progress so as to endanger timely and proper completion or delivery of the Supplies and does not correct the failure within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying the failure; (vii) sells, or offers to sell, a substantial portion of its assets used for the production of the Supplies for Buyer, or sells or exchanges, or offers to sell or exchange, an amount of its stock or other equity interests that would result in a change in control of Seller; or (viii) Seller fails to remain competitive with respect to quality, technology, delivery and pricing of the Supplies. Seller shall notify Buyer within 10 days after entering into any negotiations that could lead to the situation specified in subsection (vii) above, and upon Seller's request, Buyer will enter into an appropriate nondisclosure agreement related to information disclosed to Buyer in relation to such transaction.

16. TERMINATION FOR CONVENIENCE.

(a) In addition to any other rights of Buyer to cancel or terminate this Order, Buyer may, at its option and in good faith, immediately terminate all or any part of this Order at any time by giving written notice to Seller, notwithstanding the existence of any event of force majeure as defined in this Order.

(b) Upon receipt of notice of termination, and unless otherwise directed by Buyer, Seller will (i) terminate promptly all work under this Order; (ii) transfer title and deliver to Buyer the finished Supplies, the work in process, and the parts and materials that Seller produced or acquired in accordance with the terms and conditions of this Order and which Seller cannot use in producing goods for itself or for others; (iii) verify and settle any claims by subcontractors for actual costs made unrecoverable by the termination and ensure the recovery of materials in subcontractor's possession; (iv) take actions reasonably necessary to protect property in Seller's possession in which Buyer has an interest until disposal instruction from Buyer has been received; and (v) upon Buyer's reasonable request, cooperate with Buyer in transferring the production of the Supplies to a different supplier.

(c) Upon termination by Buyer under this Section, Buyer's obligation to Seller will be limited solely to the following: (i) the Order price for all finished Supplies that conform to the requirements of this Order and were not previously paid for; and (ii) Seller's reasonable actual cost of work-in-process and the parts and materials transferred to Buyer in accordance with subsection (b)(ii) above.

NOTWITHSTANDING ANYTHING TO THE CONTRARY, BUYER SHALL HAVE NO OBLIGATION FOR AND SHALL NOT BE REQUIRED TO MAKE PAYMENTS TO SELLER, DIRECTLY OR ON ACCOUNT OF CLAIMS BY SELLER'S SUBCONTRACTORS, FOR LOSS OF ANTICIPATED PROFIT, UNABSORBED OVERHEAD, INTEREST ON CLAIMS, PRODUCT DEVELOPMENT AND ENGINEERING COSTS, TOOLING, FACILITIES AND EQUIPMENT REARRANGEMENT COSTS OR RENTAL, UNAMORTIZED DEPRECIATION COSTS, FINISHED GOODS, WORK-IN-PROCESS OR RAW MATERIALS THAT SELLER FABRICATES OR PROCURES IN AMOUNTS THAT EXCEED THOSE AUTHORIZED IN THE MATERIAL AUTHORIZATION RELEASES, AND GENERAL ADMINISTRATIVE BURDEN CHARGES FROM TERMINATION OF THIS ORDER, UNLESS OTHERWISE EXPRESSLY AGREED TO ON THE FACE OF THE PURCHASE ORDER OR IN A DOCUMENT INCORPORATED INTO THE ORDER.

(d) Buyer's obligation upon termination under this Section shall not exceed the obligation Buyer would have had to Seller in the absence of termination.

(e) Seller will furnish to Buyer, within thirty (30) days after the date of termination (or such shorter period as may be required by Buyer's Customer), its termination claim, which shall consist exclusively of the items of Buyer's obligation to Seller that are listed in subsection 16 (c) above. Buyer may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

(f) Buyer will not have any obligation to make payments to Seller under this section 16 if Buyer terminates Buyer's obligations under the Order because of a default or breach by Seller.

17. TRANSITION OF SUPPLY.

(a) In connection with the expiration, cancellation or termination of the Order by either party, in whole or in part, for any or no cause (including, without limitation, Buyer's decision to change to an alternate source for manufacture of the Supplies whether or not to a Buyer-owned or -operated facility), Seller shall cooperate in the transition of supply. Seller will continue production and delivery of all Supplies as ordered by Buyer, at the prices and in compliance with the terms of the Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to the alternate Seller(s). Subject to Seller's reasonable capacity constraints, Seller will provide special overtime production, storage and/or management of extra

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inventory of Supplies, extraordinary packaging and transportation and other special services (collectively, "Transition Support") as expressly requested by Buyer in writing.

(b) Seller will promptly provide all requested information and documentation regarding and access to Seller's manufacturing process, including on-site inspections, bill-of-material data, tooling and process detail and samples of Supplies and components. Seller shall provide all notices necessary or desirable for Buyer to resource the Order to an alternative Seller.

(c) If and when requested by Buyer, Seller will return to Buyer all Buyer's Property in as good condition as when received by Seller (reasonable wear and tear excepted) and will comply with Seller's obligations relating to Seller's Property in these terms and in relation to subcontracts.

(d) If resource of the Supplies occurs for reasons other than Seller's termination or breach, Buyer will, at the end of the transition period, pay the reasonable, actual cost of Transition Support as requested and incurred, provided that, upon request, Seller has advised Buyer prior to incurring such amounts of its estimate of such costs. If the parties disagree on the cost of Transition Support, Buyer will pay the agreed portion to Seller and pay the disputed portion into third-party escrow for disbursement by arbitration. In no event may Seller delay the release, conveyance, transfer or shipment of Buyer's property or any Supplies until payment is made.

18. FORCE MAJEURE.

Any delay or failure of either party to perform its obligations shall be excused if, and to the extent, that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence. By way of example, this includes acts of God; restrictions, prohibitions, priorities or allocations imposed by or actions taken by any governmental authority (whether valid or invalid); embargoes; fires; floods; windstorms; explosions; riots; natural disasters; wars; sabotage; inability to obtain power; or court injunction or order. Written notice of such delay (including the anticipated duration of the delay) must be given to the other party as soon as possible after the occurrence (but no more than 10 days after). During the delay or failure to perform by Seller, Buyer, at its option, (i) may purchase the Supplies from other sources and reduce its schedules to Seller by such quantities, without liability to Seller; (ii) may ask Seller to deliver to Buyer at Buyer's expense all finished goods, work in process and parts and materials produced or acquired for work under this Order; or (iii) have

Seller manufacture the Supplies from alternative components and/or provide the Supplies from other sources in quantities and at a time requested by Buyer and at the price set forth in this Order. In addition, Seller at its expense shall take all necessary actions to ensure the supply of the Supplies to Buyer for a period of at least 30 days during any anticipated labor disruption or slowdown resulting from the expiration of Seller's labor contracts. If Buyer requests, Seller shall, within 10 days of Buyer's request, provide adequate assurance that the delay will cease within 30 days of Buyer's request. If the delay lasts more than 30 days or Seller does not provide adequate assurances that the delay will cease within 30 days, Buyer may immediately terminate the Order and any funds previously paid by or on behalf of Buyer shall be promptly returned to Buyer.

19. TECHNICAL INFORMATION DISCLOSED TO BUYER.

(a) Unless otherwise agreed to in writing by Buyer and Seller, no information disclosed in any manner at any time by Seller to Buyer will be deemed secret or confidential.

(b) Seller agrees not to assert any claim against Buyer, Buyer's customers, or their respective suppliers, with respect to any technical information that Seller has disclosed or may disclose to Buyer in connection with the Supplies and services covered by this Order.

20. PROPRIETARY RIGHTS; INDEMNIFICATION.

(a) Seller agrees: (i) to defend, hold harmless and indemnify Buyer, its successors, and customers against claims of actual or alleged direct or contributory infringement or inducement to infringe of any proprietary right (including any patent, trademark, copyright, moral, industrial design right or other proprietary right or misuse or misappropriation of trade secret) and against any resulting damages or expenses (including attorneys' and other professionals' fees, settlements, releases and judgments) to the extent such damages or expenses arise out of or relate in any way to the Supplies covered by this Order (including without limitation their manufacture, purchase, use and/or sale) or under any legal theory related to the Supplies, including such claims where Seller has provided only part of the Supplies, and Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specifications; (ii) to waive any claim against Buyer, including any hold harmless or similar claim, in any way related to a third-party claim asserted against Seller or Buyer for infringement of any proprietary right (including

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any patent, trademark, copyright, moral, industrial design right or other proprietary right or misuse or misappropriation of trade secret), including claims arising out of specifications furnished by Buyer; (iii) that Buyer, Buyer's subcontractors, or direct and indirect customers (including their affiliates and subcontractors) have the worldwide, irrevocable right and license to repair, reconstruct, rebuild, or make and to have repaired, reconstructed, rebuilt, or made the Supplies without payment of any royalty or other compensation to Seller or any other party; (iv) that manufactured parts based on Buyer's drawings or specifications may not be used for Seller's own use or sold to third parties without Buyer's express written authorization; (v) to assign to Buyer each invention, discovery, or improvement (whether or not patentable) that is conceived or first reduced to practice by Seller, or by any person employed by or working under the direction of Seller, in the performance of this Order; (vi) that if the sale or use of the Supplies is enjoined or, in Buyer's sole judgment, is likely to be enjoined, Seller will, at Buyer's election and Seller's sole expense, procure for Buyer the right to continue using the Supplies, replace the same with equivalent non-infringing goods or modify such Supplies so they become non-infringing; (vii) upon completion of this Order, Seller will promptly disclose in an acceptable form to Buyer all such inventions, discoveries, or improvements and will cause its employees to sign any papers necessary to enable Buyer to obtain title to and to file applications for patents throughout the world; and (viii) to the extent that this Order is issued for the creation of copyrightable works, that the works shall be considered "works made for hire" to the extent that the works do not qualify as "works made for hire" and Seller hereby assigns to Buyer all right, title, and interest in all copyrights and moral rights therein.

(b) All Supplies or other deliverables provided under this Order (including, for example, computer programs, technical specifications, documentation and manuals) shall be original to Seller and shall not incorporate any intellectual property rights (including copyright, patent, trade secret, mask work or trademark rights) of any third party, unless otherwise expressly agreed by Buyer in writing.

(c) All Supplies or other deliverables provided under this Order, and all related intellectual property rights, are owned by Buyer and not by Seller, unless otherwise expressly agreed by Buyer.

(d) Seller will ensure that the terms of its contracts with its subcontractors will be consistent with the terms of this Section.

21. SERVICE AND REPLACEMENT PARTS.

So that Buyer can satisfy the current model service and replacement parts requirements of itself or its customers, Seller agrees to supply Buyer, for a period of 15 years or longer as legally required of Buyer or Buyer's customers, with Supplies and parts and materials comprising the Supplies. For the first five (5) years of such period, the prices for such Supplies and parts and materials shall be based on the most recent price(s) under this Order, and if the Supplies are systems or modules, Seller agrees to sell each component or part at a price that does not, in the aggregate, exceed the system or module price specified in this Order, less assembly costs, plus any actual cost differential for packaging. At the end of such five (5) year period, the price(s) of such Supplies and parts and materials shall take into account differences in the cost of materials, packaging, and costs of production after such period. All of the foregoing components of the price will be documented to Buyer's reasonable satisfaction, including, but not limited to, set-up detail, machine productivity, scrap allowance, labor inefficiencies and excess raw material requirements. At Buyer's request, Seller will make service literature and other materials available at no additional charge to support Buyer's service part sales activities.

22. CUSTOMER SUPPORT.

(a) Seller shall comply with the applicable terms and conditions of any agreements between Buyer and Buyer's Customer (the "Customer Purchase Orders") as disclosed by Buyer pursuant to which Buyer agreed to sell to Buyer's Customer products or assemblies which incorporate the Supplies. This provision specifically includes costs and obligations imposed by warranty programs instituted by the vehicle manufacturer that ultimately purchases Buyer's products or assemblies that incorporate the Supplies if applicable to Buyer by Buyer's Customer. If Buyer is not acting as a Tier One Seller, the term Customer Purchase Order shall also include the terms and conditions of the vehicle manufacturer that ultimately purchases Buyer's goods that incorporate the Supplies. Seller will be responsible to ascertain how the disclosed terms affect Seller's performance under the Order. By written notice to Seller, Buyer may elect to have the provisions of the Customer's Purchase Orders prevail over any term of the Order.

(b) In the event that Buyer's Customer is financially troubled, within the reasonable determination of Buyer, and Buyer is able to purchase insurance or obtain a guaranty or otherwise assure payment of amounts due to Buyer from Buyer's Customer (including participation in any government sponsored

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program), Seller shall pay its pro-rata share of any fees incurred by Buyer to obtain the assurance of payment.

(c) In the event that Buyer's Customer files or has filed against it a petition in bankruptcy or insolvency and, in the course of such proceeding: (i) Buyer permits a reduction in the price(s) paid to Buyer for products incorporating the Supplies, the price paid to Seller for the Supplies from and after the date of such reduction will be automatically adjusted proportionally by the same percentage as the price paid to Buyer by its Customer, and the Order will otherwise remain in effect without modification; (ii) Buyer's Customer suspends or decreases its purchases of "firm" orders, Buyer shall have the right to suspend or decrease its "firm" orders without liability to Seller; and (iii) Buyer's claims for end of program costs, including, without limitation, excess inventory, obsolescence and/or unamortized costs of any kind or nature are not paid in full or otherwise compromised in good faith, Seller's end of program costs will be reduced pro-rata.

23. CONFIDENTIALITY; BUYER'S PROPERTY.

(a) All tooling (including fixtures, gauges, jigs, patterns, castings, cavity dies and molds, with all related appurtenances, accessions, and accessories), and all documents, standards or specifications, trade secrets, information, materials (including whether or not such materials are in any way modified, altered or processed), and other items furnished by Buyer, either directly or indirectly, whether or not owned by Buyer (collectively "Buyer's Property"), to Seller to perform this Order, or for which Seller is reimbursed by Buyer, shall remain Buyer's property. Buyer does not guarantee the accuracy of any tooling or dies or the availability or suitability of any supplies or material furnished by it. Seller agrees carefully to check and approve all tooling, dies or materials supplied by Buyer prior to using it. Seller shall assume all risk of death or injury to persons or damage to property arising from use of tools, dies or materials supplied by Buyer.

(b) Buyer's Property will be held by Seller or by a third party, to the extent that Seller has transferred possession of Buyer's Property to a third party (with Buyer's prior approval), on a bailment basis, as a bailee-at-will. Seller bears the risk of loss of and damage to Buyer's Property. Buyer's Property shall be housed, maintained, repaired and replaced by Seller at Seller's expense, shall not be used by Seller for any purpose other than the performance of this Order, shall be deemed to be personalty, shall be conspicuously marked by Seller as the property of Buyer, shall not be commingled with the property of Seller or with that

of a third person, and shall not be moved from Seller's premises without Buyer's approval.

(c) Seller shall insure Buyer's Property with full fire and extended coverage insurance for its replacement value. Seller shall take all reasonable precautions: (i) to disclose Buyer's Property within Seller's organization only to those employees who have a need to know in order to fulfill Seller's obligations hereunder and who have agreed to keep the Buyer's Property confidential; and (ii) to prevent any such Buyer's Property from being divulged to third persons not employed by Seller, including having recipients acknowledge the confidential status of such Buyer's Property and agreeing to similar restrictions. This obligation of confidence shall survive termination of this Agreement and will continue for a period of Five (5) years thereafter or for as long as the Buyer's Property remains a trade secret, whichever is longer.

(d) Buyer shall have the right to enter Seller's premises to inspect Buyer's Property and Seller's records regarding Buyer's Property. Only Buyer (or Buyer's affiliates) has any right, title or interest in Buyer's Property, except for Seller's limited right, subject to Buyer's unfettered discretion, to use Buyer's property in the manufacture of the Supplies. Buyer and its affiliates shall have the right to take immediate possession of Buyer's Property at any time without payment of any kind. Seller agrees to cooperate with Buyer if Buyer elects to take possession of Buyer's Property. Likewise, effective immediately upon written notice to Seller, without further notice or court hearings, Buyer has the right to enter the premises of Seller and take possession of all of Buyer's Property. Seller expressly waives any right to additional notice or process and agrees to provide Buyer or its nominee(s) with immediate access to Buyer's Property. Seller grants to Buyer a limited power of attorney to execute and record on Seller's behalf any notice financing statements with respect to Buyer's Property that Buyer determines are reasonably necessary to reflect Buyer's interest in Buyer's Property. At Buyer's request, Buyer's Property shall be immediately released to Buyer or delivered by Seller to Buyer either (i) FCA (Incoterms 2010) transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of Buyer's selected carrier, or (ii) to any location designated by Buyer, in which case Buyer will pay Seller the reasonable costs of delivery. Seller waives, to the extent permitted by law, any lien or other rights that Seller might otherwise have on any of Buyer's Property.

(e) TO THE EXTENT PERMITTED BY LAW, BUYER SHALL HAVE NO LIABILITY TO SELLER OR ANYONE CLAIMING BY OR THROUGH

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SELLER FOR ANY INCIDENTAL OR CONSEQUENTIAL OR OTHER DAMAGES OF ANY KIND WHATSOEVER RELATING TO BUYER'S PROPERTY SUPPLIED BY BUYER. BUYER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO SUCH BUYER'S PROPERTY, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND SUPPLIER WAIVES, FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS, ALL CLAIMS OF NEGLIGENCE AND STRICT LIABILITY.

24. SELLER'S PROPERTY.

Seller, at its expense, shall furnish, keep in good condition, and replace when necessary, all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns, and items other than Buyer's Property that are necessary for the production of the Supplies ("Seller's Property"). Seller shall insure Seller's Property with full fire and extended coverage insurance for its replacement value. If Seller uses Seller's Property to produce goods or services for other customers, including aftermarket customers, such goods or services shall not incorporate any of Buyer's logos, trademarks, tradenames, or part numbers. Seller shall not disclose or imply in its marketing efforts that these goods or services are equivalent to those purchased by Buyer. Seller grants to Buyer an irrevocable option to take possession of and title to Seller's Property that is special for the production of the Supplies under this Order upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of these items. This option does not apply if Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others.

25. CUSTOMS; RELATED MATTERS.

(a) For Supplies that are to be imported into the United States, Seller shall comply with all applicable recommendations or requirements of the United States Bureau of Customs and Border Protection's ("US Customs") Customs-Trade Partnership Against Terrorism ("C-TPAT") initiative (for information go to <http://www.cbp.gov/> and find the link to the C-TPAT section). This program is designed to protect the supply chain from the shipment of prohibited items into the United States or to any of Buyer's facilities, suppliers or customers, wherever they may be geographically located. At Buyer's or the US Customs request, Seller shall certify in writing its compliance with the C-TPAT. Seller shall provide both Buyer and U.S. Customs access to Seller's facilities and to audit Seller's compliance with the foregoing.

(b) If the Supplies are transported via ocean carrier, Seller must also comply with U.S. Customs' Importer Security Filing ("ISF") and provide the necessary data to the freight forwarder selected by Buyer who will act as Buyer's agent for filing of the ISF. All data required for the ISF must be in the freight forwarder's possession not later than forty-eight (48) hours before the Supplies are loaded onto the ocean carrier or such earlier time as the freight forwarder may require or be subject of a NO LOAD ORDER and/or substantial penalties. If the ISF information is not timely or accurately supplied, Seller will be responsible for the payment of all damages suffered or incurred by Buyer including, without limitation, storage charges, fees, fines and penalties and all disruptions to production. Neither Buyer nor its agents will be responsible for modifying ISFs after the Supplies is loaded onto the ship. Buyer may disallow the shipment of any Supplies if U.S. Customs issues any response other than accepted.

(c) For Supplies to be imported into Canada, Seller shall comply with all applicable recommendations or requirements of the Canada Customs and Revenue Agency's initiative Partner's in Protection ("PIP") (for information go to <http://www.cra-adrc.gc.ca/customs/general/enforcement/partners/menu-e.html>). At Buyer's or the Canadian Customs and Revenue Agency's request, Seller shall certify in writing its compliance with the foregoing.

(d) Export licenses or authorizations necessary for the export of Supplies are Seller's responsibility unless otherwise stated in the Order, in which case Seller will provide the information necessary to enable Buyer to obtain the licenses or authorizations. Specifically, if performance of the Order involves the use of or access to articles, technical data or software that is subject to export controls under US law including, without limitation, under The Arms Export Controls Act (22 USC §§2778-2794), ITAR (22 CFR 120-130), Export Administration Act (15 CFR 730-774), Foreign Asset Control Regulation (31 CFR Parts 500-599), or any successor, replacement or supplemental laws and additional regulations promulgated thereunder, Seller shall ascertain applicability and comply in every respect Seller will promptly notify Buyer in writing of any material or components used by Seller in filling the Order that Seller purchases in a country other than the country in which the Supplies are delivered. Seller will furnish any documentation and information necessary to establish the country of origin or to comply with the applicable country's rules of origin requirements. Seller will promptly advise Buyer of any material or components imported into the country of origin and any duty included in the Supplies' purchase price. If Supplies are

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manufactured in a country other than the country in which Supplies are delivered, Seller will mark Supplies "Made in [country of origin]." Seller will provide to Buyer and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Supplies into the country in which Supplies are delivered. Seller warrants that any information that is supplied to Buyer about the import or export of Supplies is true and that all sales covered by the Order will be made at not less than fair value under the anti-dumping laws of the countries to which the Supplies are exported. Seller will indemnify and hold Buyer harmless from and against any damages, fines, penalties and costs, including attorney's fees and costs arising out of or related to a breach of Seller's obligations under this section 25.

(e) Supplies and/or containers shall be marked as per the requirements of applicable U.S. law including, but not limited to, 19 CFR §134 (as amended from time to time). Scientific and laboratory instruments shall be legibly and conspicuously so marked by die-stamping, case-in-the-mold lettering, acid or electrolytic etching, engraving, or by means of metal plates securely attached to the Supplies in a conspicuous place by welding, screws, or rivets. If the Supplies are not classifiable as specified above, any method of legible and conspicuous marking is acceptable provided it will require a deliberate and persistent effort to remove such marks of origin. Seller shall also be responsible for compliance with additional regulations and guidelines regarding supply chain security published by US Customs, the Canada Customs and Revenue Agency, and any other government or agency including, but not limited to, the Security and Accountability for Every Port Act of 2006 (the "SAFE Port Act").

(f) Credits or benefits resulting from the Order, including those under current and future Free Trade Agreements between the United States and specific countries (including, without limitation, NAFTA, Chile, Korea, Australia and CAFTA-DR), trade credits, export credits or the refund of duties, taxes, or fees, belong to Buyer. Seller will provide all information and certificates (including NAFTA Certificates of Origin) necessary to permit Buyer to receive these benefits or credits. Seller must continuously monitor Seller's materials sourcing, bills of materials and/or formulations for changes which might affect the validity of any origin determination or certificate provided to Buyer. Seller agrees to fulfill any customs- or NAFTA-related obligations, recordkeeping, origin marking or labeling requirements, and local content origin requirements such that reasonable care can be shown in the preparation of these documents.

(g) Seller shall indemnify and hold Buyer harmless from and against any liability, claims demands or expenses (including attorney's fees or other professional fees) arising from or relating to Seller's noncompliance with this Section. Seller will be responsible for the full costs of any delay in delivery of the Supplies caused by its failure to comply with the requirements of this Section 25 including, without missing, incomplete, untimely or inaccurate data being furnished to Buyer, Buyer's agents or any governmental authority.

26. SET-OFF; RECOUPMENT.

In addition to any right of setoff or recoupment permitted by law, all amounts due Seller shall be considered net of indebtedness or obligations of Seller to Buyer. Buyer may set off against or recoup from any amounts due or to become due from Seller, any amounts due to Buyer however and whenever arising. If an obligation of Seller to Buyer is disputed, contingent or unliquidated, Buyer may defer payment of all or a portion of the amount due to Seller until such obligation is resolved. Further, in the event Buyer reasonably feels itself at risk, Buyer may withhold and recoup a corresponding amount due Seller to protect against such risk. For purposes of this Section only, the terms "Buyer" and "Seller" shall include their parent companies, subsidiaries, brother/sister companies and affiliates.

27. NO ADVERTISING.

Seller shall not advertise or publish in any manner the fact that Seller has contracted to furnish to Buyer the Supplies covered by this Order, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials, without first obtaining Buyer's written consent.

28. RELATIONSHIP OF PARTIES.

Seller and Buyer are independent contracting parties and nothing in this Order shall make either party the agent or legal representative of the other for any purpose. This Order does not grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

29. NON-ASSIGNMENT; RESOURCE REQUESTS.

(a) Seller may not assign or delegate its obligations under this Order without Buyer's prior written consent. Buyer may impose any conditions and restrictions on any assignment by Seller in Buyer's complete discretion. In the event of any approved assignment or delegation by Buyer, Seller shall retain all responsibility for the Supplies, including, without limitation, all related warranties and claims, unless otherwise expressly agreed in writing by Buyer. Buyer shall have the

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right to assign any benefit or duty under an Order to any third party upon notice to Seller, with or without Seller's consent.

(b) Seller acknowledges that, in a tiered supply chain, Buyer has relied upon Seller's agreement to manufacture the Supplies at the price and on the terms stated in the Order to allow Buyer to fulfill its contract to sell the goods which incorporate the Supplies to Buyer's Customer. Consequently, Seller may not terminate this Order before expiration. Seller may request that Buyer resource the Supplies to a new Seller. Buyer may refuse to resource the Supplies for any reason. As a condition precedent to any request to resource, Seller must agree to the following: (i) pay to Buyer the present value of any increased price for the Supplies over the expected life of the program prior to the time of resource; (ii) cooperate in all respects with the transition to the new Seller including, without limitation, inspections of current production processes at Seller's facility, licensing any necessary technology to the new Seller, and the removal of all Buyer-owned tooling (including manuals, logs and the like); (iii) reimbursing Buyer for any PPAP costs that it may pay; and (iv) transitioning supply in accordance with these terms. Seller acknowledges that resourcing may be subject to the approval of Buyer's Customer, and if the approval of Buyer's Customer is required the decision of Buyer's Customer is final and binding.

30. SUPPLIERS WITH PARTICULAR NEEDS.

Buyer encourages Seller to use suppliers with particular needs. A supplier with particular needs is a business, which meets one or more of the following conditions: (a) a small business, as defined in Title 15, Section 632 of the United States Code and related regulations; (b) a small business owned and controlled by socially disadvantaged individuals (at least 51% of the business owned and controlled by one or more socially and economically disadvantaged individuals and the management and daily business operations are controlled by one or more such individuals); and (c) a business that is at least 51% owned by a woman or women who also control and operate the business. Upon Buyer's request, Seller will inform Buyer on an annual basis the percentage, based on a dollar value, of the content of the Supplies provided by suppliers with particular needs as well as the basis for claiming that such content was provided by a supplier with particular needs.

31. BASIC WORKING CONDITIONS.

Seller represents that neither it nor any of its subcontractors, suppliers, agents or other third parties will not (a) utilize child, slave, prisoner or

any other form of forced or involuntary labor, regardless of its form; (b) employ any person below the age of 15, unless it is part of a government approved job training, apprenticeship or other program that would be clearly beneficial to its participants; or (c) engage in physically abusive disciplinary practices. Seller further represents when it delivers the Supplies that it has complied with the requirements of this Section. Buyer may retain an independent third party, or request Seller to retain one reasonably acceptable to Buyer, to: (a) audit the Seller's compliance with this Section; and (b) provide Seller and Buyer with written certification of Seller's compliance, including areas for potential improvement. Seller will bear the cost of any third-party audit and certification under this Section, regardless of which party retained the auditor. Buyer, at its option, may accept an audit or certification by Seller in lieu of a third-party certification. For purposes of this Section, the temporary assignment of employees of one party to the facilities operated by the other party will not affect the status or change the employment relationship of the assigned employees.

32. BUYER'S LIMITED LIABILITY.

Buyer's sole liability under the Order (including its termination, expiration or cancellation) is to pay for the Supplies in accordance with and to pay the specific termination related amounts described in these terms. IN NO EVENT SHALL BUYER BE LIABLE TO SUPPLIER FOR ANTICIPATED OR LOST PROFITS, INTEREST, PENALTIES OR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, MULTIPLE, OR EXEMPLARY DAMAGES OR LIABILITIES IN CONNECTION WITH THIS ORDER, WHETHER FOR BREACH OF CONTRACT, TORT LIABILITY, LATE PAYMENT, PROPERTY DAMAGE, PERSONAL INJURY, ILLNESS, OR DEATH OR OTHERWISE.

33. GOVERNING LAW; JURISDICTION.

This Order is to be construed according to the laws of the State of Michigan, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law's provisions that would require application of another choice of law. Any litigation on contractual claims arising from this Order may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in court(s) having jurisdiction over any Buyer's location listed above, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer from which this Order was issued.

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34. SEVERABILITY.

If any term of this Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, the term shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with applicable law. The remaining provisions of this Order shall remain in full force and effect.

35. SURVIVAL.

The obligations of Seller to Buyer survive termination of this Order, except as otherwise provided in this Order.

36. ENTIRE AGREEMENT; MODIFICATIONS; NO IMPLIED WAIVER.

(a) This Order, together with the attachments, exhibits, supplements, or other terms of Buyer specifically referenced in this Order, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this Order and supersedes all prior oral or written representations and agreements. This Order may only be modified by a written amendment executed by authorized representatives of each party.

(b) The failure of either party at any time to require performance by the other party of any provision of this Order shall in no way affect the right to require performance at any later time, nor shall the waiver of either party of a breach of any provision of this Order constitute a waiver of any later breach of the same or any other provision of this Order.

37. SALES TAX EXEMPTION.

Buyer certifies that the Supplies purchased under this Order and identified as industrial processing are eligible for state and federal sales tax exemption under the federal identification number indicated on the face of this Order or otherwise provided by Buyer.

38. TOOLING.

(a) Seller shall not purchase any Tooling for the account of Buyer or charge Buyer for any tooling except as authorized in the Order or in a Tooling Purchase Order. Seller represents that the price in the Order or the Tooling Purchase Order for the Tooling is Seller's cost and that there is no mark-up for profit (unless as authorized in this section).

(b) If Seller is responsible for fabricating or acquiring Tooling, such Tooling shall: (i) comply with any specifications provided by Buyer (or, where directed by Buyer, those of Buyer's

Customer); (ii) be capable of producing Supplies that satisfy the Order, including meeting any volume requirements or estimates provided to Seller during the life of the product as well as satisfying the requirements for Service Parts. Seller represents and warrants that the Tooling fabricated or acquired by Seller does not infringe on the intellectual property of a third-party and shall defend, hold harmless and indemnify Buyer, its successors and assigns against any suit, claim or action for actual or alleged direct or contributory infringement of or inducement to infringe any Intellectual Property and against any resulting damages or expenses (including attorney's and other professional fees, settlements and judgments) arising in any way to the Tooling including any claim against Buyer that the infringement arose out of compliance with Buyer's specifications. If the use of the tooling for manufacture of the Supplies is enjoined or, in Buyer's sole judgment, is likely to be enjoined, Seller will, at Buyer's election and Seller's sole expense, procure for Buyer to right to continue using the Supplies, modify the Tooling so it becomes non-infringing. Time is of the essence for Seller's acquisition or fabrication of Tooling. Seller shall provide Tooling progress reports on Buyer's request and shall promptly notify Buyer in writing if it believes that the Tooling might not be completed by the completion date specified on the Order.

(c) If all or part of the fabrication, modification, repair or refurbishment of Tooling will be subcontracted to a third-party toolmaker, the Seller will: (a) give Buyer advance written notice of the identity of the toolmaker and the location of the Tooling; (b) inform the toolmaker in writing that it is a bailee-at-will, through the Seller, of Tooling owned by the Buyer; and (c) be solely responsible for payments to the toolmaker. The Buyer has no obligation to the Seller or subcontractor other than payment to the Seller of the Order price. If a subcontractor brings an action against the Seller for payment of the Tooling, the Seller will not join the Buyer in the action.

(d) The Seller shall be entitled to receive payment only after the Tooling is completed. Tooling is not complete until Seller, at its own expense, has successfully completed all required testing (including, for Tooling used in connection with motor vehicle parts production, completion of the PPAP process) and has submitted all necessary documentation. Seller shall be entitled to receive payment only after and to the extent of, and in proportion to, Buyer's actual receipt of such reimbursement or other payment from the Customer.

(d) If Seller's primary business is to fabricate Tooling, Seller will be permitted a reasonable profit

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percentage as indicated by the Order. In the absence of a mutually-accepted profit percentage, Buyer will determine a reasonable profit percentage following the completion of its audit. Seller will invoice Buyer for (and Buyer will only be obligated to pay) the lower of Seller's actual cost plus such profit percentage or the amount set forth in the Order.

(e) Seller will provide to Buyer, as requested, access to Seller's premises and all documentation relating to the Tooling, prior and subsequent to payment, to inspect work performed and to verify charges submitted by Seller against the Order. For any Tooling or parts thereof that Seller obtains from any third party, Seller will provide Buyer with such access and documentation to the ultimate production source. Seller will have ninety (90) days from the date Buyer notifies Seller of Buyer's intention to audit Seller to provide the requested access and copies of requested documentation for Buyer's exclusive use and records. Any information submitted following such ninety (90) day period need not be considered by Buyer. The price set forth in the Order will be adjusted to credit Buyer in the amount, if any, by which the price exceeds Seller's actual cost as verified. Seller will not disclose to any third party, except for its attorneys and professional advisors who are required to maintain confidentiality, the results of such Tooling audits or any adjustments made by Buyer to the prices and amounts payable to Seller as a result of such audit. Seller will retain (and cause its Tooling sub-Sellers to retain) all cost records for a period of three years after receiving final payment of the charges.

(f) To the extent permitted by applicable law, any payments made by Buyer for Buyer-owned Tooling that is manufactured by a third-party are expressly intended by Buyer to be held in trust for the benefit of any subcontractor(s) used by Seller to produce the Buyer-owned Tooling that are covered by such payments and Seller agrees to hold such payments as trustee in trust for such subcontractor(s) until Seller has paid the subcontractor(s) in full for the Buyer-owned Tooling. Seller acknowledges and agrees that such subcontractor is an intended third party beneficiary of the terms of this Section relating to the trust and as such, such Tooling subcontractor shall have the right to enforce these terms of this Section directly against Seller in subcontractor's own name. Seller agrees that Buyer has no obligation to Seller or Seller's Tooling subcontractor under this Section other than making the payment to Seller in accordance with a Tooling Purchase Order. In the event Seller's Tooling subcontractor brings an action against Seller under this section, Seller agrees that it will not join Buyer in any such action.

39. Aftermarket Supplies

If the Supplies are purchased by Buyer solely for the Aftermarket, excluding Supplies purchased for Buyer's Customer's OEM service requirements, the following terms are applicable. Unless specifically covered in this section 39, Seller is bound by all other terms in these Purchase Order Terms and Conditions.

a) Subject to Buyer's termination rights in these Purchase Order Terms and Conditions, the Order is a requirements contract for Buyer's Aftermarket requirements for an indefinite period while buyer may require identified supplies conveyed via Buyer's Purchase Order(s). Buyer must be notified of any change in Seller's ability to supply required Supplies a minimum 180 days prior to Seller's inability to ship as required. Seller's obligation under section 17 applies before any end to production.

(b) The warranty period will be the same period offered by Buyer on its assembly which incorporates the Supplies, to Buyer's aftermarket customers.

(c) Buyer may request that Seller inventory items for the aftermarket on terms to be negotiated by the parties.