



**ADVICS NORTH AMERICA, INC.
ADVICS MANUFACTURING INDIANA, L.L.C.
ADVICS MANUFACTURING OHIO, INC.
ADVICS MANUFACTURING GEORGIA, L.L.C.
ADVICS MANUFACTURING MEXICO, S. De R.L. De C.V**

GENERAL TERMS AND CONDITIONS OF PURCHASE

Document QF-0007

1. Offer: Acceptance.

(a) Each purchase order or purchase order revision, including these general terms and conditions ("Purchase Order"), is an offer to Seller by Buyer for the purchase of goods and/or services ("Supplies"). The Purchase Order does not constitute an acceptance of any offer or proposal made by Seller. Any reference in the Purchase Order to any offer or proposal made by Seller is solely to incorporate the description or specifications of Supplies in the prior offer or proposal, but only to the extent that the description or specifications do not conflict with the description and specifications in the Purchase Order. Seller's written acceptance, Seller's commencement of any work under the Purchase Order, or any other conduct by Seller that recognizes the existence of a contract with respect to the subject matter of the Purchase Order constitutes Seller's acceptance of these terms and conditions only. Any additional or different terms and conditions proposed by Seller, whether in Seller's quotation form, acknowledgement form, invoice or otherwise, are unacceptable to Buyer, are expressly rejected by Buyer, and shall not become part of the Purchase Order -- but any such proposal or attempted variance shall not operate as a rejection of the Purchase Order if Seller accepts Buyer's offer by commencement of work, shipment or performance of Supplies (as applicable), or by other means acceptable to Buyer, in which case the Purchase Order shall be deemed accepted by Seller without any additional or different terms or variations whatsoever. If, notwithstanding the foregoing, the Purchase Order were deemed to be an acceptance of a prior offer by Seller, the acceptance is expressly made conditional on Seller's assent to the additional or different terms contained herein and such acceptance is limited to the express terms set forth in the Purchase Order and these terms and conditions. THE TERMS OF THE PURCHASE ORDER ARE EXCLUSIVE. The Purchase Order can be modified only in the manner described in Section 36. The terms of each Purchase Order include (and where indicated, are amended or superseded in whole or in part by) any supplemental terms for the country from which the Purchase Order is issued ("Country Supplement"), which are available at www.advics-na.com.

(b) "Buyer" is the subsidiary or affiliate of ADVICS North America, Inc., such as ADVICS Manufacturing Ohio, Inc. or, ADVICS Manufacturing Georgia, L.L.C. or ADVICS Manufacturing Indiana, L.L.C., or ADVICS Manufacturing Mexico S. De R.L. De C.V, identified in the Purchase Order; if no such entity is identified, the Buyer is ADVICS North America, Inc.

2. Supplier Quality and Development; PPAP; Parts Identification; Samples.

(a) Seller will conform to the quality control standards and inspection system, as well as related standards and systems (including without limitation, quality control policies, latest revisions of ISO9001 OR ISO9001/TS16949/IATF16949, that are established by Buyer, and (to the extent directed by Buyer) 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 Purchase 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) All Supplies that are a completed part 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.

(e) If Seller is required to submit certification of analysis (COA), Seller must do so prior to product delivery.

(f) Seller will supply samples in accordance with Buyer's then applicable quality standard including latest revisions of ISO9001 OR ISO9001/TS16949/IATF16949.

3. Purchase Order; Quantities; Delivery Schedules; Time Period of Purchase Order.

(a) The following documents are incorporated into and shall be a part of the Purchase Order: (i) any supply agreement between Buyer and Seller signed by authorized representatives of Buyer and Seller; (ii) Material Authorization Releases (as defined in Section 3(f) below); (iii) applicable prints and specifications for Supplies; (iv) Buyer's policies, as revised by Buyer from time to time; (v) any written agreement between Buyer and Seller signed by authorized representatives of Buyer and Seller which provides that it is part of the Purchase Order, and (vi) these general terms and conditions of purchase. As used herein, the term "Buyer's policies" includes any statement of work applicable to the Supplies, as well as quality assurance / control, logistics, packaging, delivery, environmental and other standards / guidelines / policies as set forth in the Purchase Order (including without limitation these general terms and conditions of purchase), and including but not limited to amendments or modifications as may be implemented by Buyer during the term of the Purchase Order – copies of which may be obtained by contacting Buyer's assigned purchasing representative.

(b) These general terms and conditions of purchase apply to all Purchase Orders, including those with Sellers that Buyer's Customer has directed, recommended, requested, suggested or otherwise identified to Buyer as a source of the Supplies.

(c) No exception to, deviation from, or waiver of these general terms and conditions of purchase shall be valid and binding on Buyer unless specified on the face of a purchase order or purchase order amendment issued by Buyer or made in a signed writing by Buyer's authorized representative.

(d) Subject to Buyer's termination rights, the agreement formed by the Purchase Order is binding on the parties for the length of the applicable Original Equipment Manufacturer ("OEM") vehicle program production life (including model refreshes and program extensions as determined by the applicable OEM customer) ("Term"), and both Buyer and Seller acknowledge the risk of the vehicle program production life being cancelled or extended by the OEM. If the Supplies are not utilized by Buyer for the production of automotive parts or systems, the agreement formed by the Purchase Order will be binding for one year from the date the Purchase Order is transmitted to Seller. In such case, subject to Buyer's termination rights, the Purchase Order will automatically renew for successive one-year periods after the initial term unless Seller provides written notice at least 180 days prior to the end of the current term of its desire that the Purchase Order not be renewed, provided that, Buyer may extend the term of this Purchase Order for such period of time beyond the initial or current term as Buyer determines is necessary, acting reasonably and in good faith, to procure an alternate source of supply for the Supplies that is acceptable to Buyer and to ensure an orderly transition of supply. Notwithstanding the foregoing, if an expiration date is stated

in a Purchase Order or related agreement signed by Buyer, the Term of the Purchase Order will continue until that date. Unless specifically waived in writing by an authorized representative of Buyer or unless Buyer removes Tooling from Seller necessary for the production of service and replacement parts, Seller's obligations with respect to service and replacement parts will survive the termination or expiration of the Purchase Order for any reason. Unless specifically waived in writing by an authorized representative of Buyer or unless Buyer removes Tooling from Seller necessary for the production of service and replacement parts, Seller's obligations with respect to service and replacement parts (see Section 26 below) will survive the termination or expiration of the Purchase Order for any reason.

(e) Quantities listed in a Purchase Order as estimated or forecast or for planning purposes are Buyer's best estimate of the quantities of Supplies it might purchase from Seller for the related time period(s). Seller acknowledges that any estimates or forecasts of production quantities or program durations, whether from Buyer or the Customer, are subject to change from time to time, with or without notice to Seller, and shall not be binding upon Buyer. Unless otherwise expressly stated in the Purchase Order, Buyer makes no representation, warranty, guaranty or commitment of any kind or nature, whether express or implied, to Seller in respect of Buyer's quantitative requirements for the Supplies or the term of supply of the Supplies.

(f) (1) Unless otherwise expressly stated in the Purchase Order or other agreement signed by an authorized representative of Buyer, if no other quantity is stated on the face of the Purchase Order or if the quantity is blank or specifies the quantity as zero, "blanket", "blanket order", "as released", "as scheduled", "as directed", "subject to Buyer's production releases", or similar terms, then subject to terms and conditions of the Purchase Order including these general terms and conditions of purchase, Buyer shall purchase from Seller, and Seller will supply to Buyer, one hundred percent (100%) of Buyer's requirements for Supplies in such quantities as identified by Buyer as firm orders in material authorization releases, manifests, broadcasts or similar releases ("Material Authorization Releases") that are transmitted to Seller during the Term of the Purchase Order, and Seller shall deliver such quantities on such dates and times at the price and on the other terms specified in the Purchase Order. All references herein to an "Order" shall include any related Material Authorization Releases, and such Material Authorization Releases are not independent contracts. Buyer's requirements are based on and determined by the needs and related orders of Buyer's customer(s) for Buyer's products incorporating or using Supplies hereunder for use in the applicable OEM vehicle program, and such needs and related orders may change from time to time, with or without notice to Seller, and shall not be binding upon Seller. Unless otherwise expressly stated in the Purchase Order, Buyer makes no representation, warranty, guaranty or commitment of any kind or nature, whether express or implied to Seller in respect of Buyer's quantitative requirements for the Supplies or the term of supply of the Supplies. Unless otherwise expressly stated in the Purchase Order, Buyer shall not be required to purchase the Supplies exclusively from Seller. If the Purchase Order covers services, Buyer is required to purchase such services to the extent expressly stated in a Statement of Work signed by Buyer. Buyer may require Seller to participate in electronic data interchange or similar inventory management program, at Seller's expense, for notification of Material Authorization Releases, shipping confirmations and other information. (2) Lead times for Supplies, as and to the extent set forth in a Purchase Order, should be considered by the Buyer in all of Buyer's requirements. Unless otherwise expressly stated in the Purchase Order or other agreement signed by an authorized representative of Buyer, Seller shall organize its production operations and inventory to be able to meet variations of up to +/- 20% with less than the lead time(s) stated in the Purchase Order, without any change in price. Variations of more than +/- 20%, made with less than applicable lead times may be addressed under Section 7 below. Seller acknowledges and agrees to accept the risk associated with lead times of various raw materials and/or components and Supplies if they are beyond those provided in the

Purchase Order and authorized Material Authorization Releases. (3) Seller must have a tooling and production plan in place that will enable Seller to supply Buyer's peak daily, weekly and annual requirements for the Supplies, including service parts, and Seller capacity as stated in a Purchase Order will be based on such tooling and production plan. In the event that Buyer's peak requirements exceed Seller's capacity as stated in the Purchase Order, Buyer and Seller will, upon the request of either party, discuss what, if any, additional capital investments, together with expenses directly related to such increased demands, are reasonably required by Seller, and what changes in price or tooling are reasonably required, for Seller to continue to meet such peak requirements. Buyer will have the right to verify all claims regarding additional capital investment and the sole discretion to determine whether to accept applicable changes or to source peak requirements beyond Seller's capacity stated in the Purchase Order elsewhere. No changes to the Purchase Order or these general terms and conditions of purchase, other than changes in price or tooling requests directly tied to the need for additional capital investments mutually agreed between Seller and Buyer pursuant to this Section, are contemplated in this Section.

(g) Time and quantities are of the essence under a Purchase Order. Seller agrees to 100% on-time delivery of the quantities and at the times specified by Buyer, as set forth in a Purchase Order and related Material Authorization Releases. Failure to meet agreed delivery and quantities shall be considered a breach of the Purchase Order, and Seller shall pay to Buyer any damages or expenses imposed upon or incurred by Buyer (including but not limited to those arising out of line stoppages, currency fluctuations, and/or loss of profits) as reasonably calculated by Buyer. In the event any delivery is likely to be delayed, Seller shall notify Buyer thereof in advance, provided that such notice shall not release Seller from its liabilities for all costs, losses and consequential damages resulting from incomplete or delayed delivery. 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 Supplies covered by the Purchase Order. Without prejudice to Buyer's other available rights and remedies, Buyer shall not be required to make payment for any Supplies delivered to Buyer, which are in excess of quantities specified in Buyer's delivery schedules, or to accept early deliveries, late deliveries, partial deliveries or excess deliveries

(h) Premium shipping expenses and/or other related expenses necessary to meet agreed upon delivery dates shall be Seller's sole responsibility and at Buyer's request shall be paid in advance by Seller. Seller shall also be liable for all increased costs, including premium shipping expenses and costs charged by Buyer's customer(s), incurred by Buyer as a result of Seller's or Seller's subcontractor's failure to comply with shipping or delivery requirements. Buyer is not liable for premium freight costs unless specifically agreed to in advance, in writing, by Buyer.

(i) Delivery of Supplies shall be F.O.B. Buyer's designated facility, unless otherwise expressly provided in the Purchase Order. Unless otherwise agreed in writing by Buyer, the risk of loss passes from Seller to Buyer upon delivery to Buyer's transportation carrier (or if shipment is by Seller or common carrier, then upon delivery to Buyer's designated facility), but title passes to Buyer only upon acceptance by Buyer at Buyer's facility where the Supplies are to be used. Seller will comply, in all respects, with Buyer's delivery and logistics requirements, as amended or updated from time to time. As and to the extent directed by Buyer, Seller will electronically communicate with Buyer in a secure manner designated by Buyer with respect to all supply chain communications relating to a Purchase Order, including, without limitation, receiving production schedules and sending advance shipping notices to Buyer.

(j) In order to assure the timely delivery of Supplies, Seller will, upon written request by Buyer's authorized purchasing representative, manufacture goods in

excess of Buyer's current Purchase Orders to serve as a reserve for shipment, at such inventory reserve level as may be set by Buyer from time to time, to meet Buyer's requirements and to meet any unforeseen delays due to any reason whatsoever. Until such Supplies are purchased by Buyer from Seller, the same shall remain the property of Seller and shall be held by Seller at its sole risk and expense.

(k) Seller must assure overall equipment (shared and specific) and plant capacities are adequate to meet Buyer's needs. Ongoing capacity analysis must account for scrap variation, downtime, maintenance, and other Customer requirements.

4. Shipping.

(a) Seller will (i) properly pack, package, label, mark and ship Supplies in the manner set forth in Buyer's Procedures Manual or in such other manner as may be specified by Buyer, and in accordance with the requirements of involved carriers and with any applicable laws or regulations; (ii) route shipments in accordance with Buyer's instructions; (iii) make no charge for handling, packaging, storage, transportation or drayage of Supplies unless otherwise stated in the Purchase Order; (iv) provide with each shipment papers showing the purchase order number, amendment or release number, Buyer's part number, Seller's part number where applicable, quantity of pieces in shipment, number of cartons or containers in shipment, Seller's name and number and the bill of lading number; and (v) promptly forward the original bill of lading or other shipment receipt for each shipment in accordance with Buyer's instructions and carrier requirements. The marks on each package and identification of the goods on packing slips, bills of lading and invoices shall be sufficient to enable Buyer to easily identify the goods.

(b) If requested by Buyer, Seller shall promptly provide Buyer with the following information in the form and detail Buyer requests: (i) a list of all ingredients and components in Supplies, (ii) the amount of all ingredients and components, and (iii) information concerning any changes in or additions to the ingredients and components.

(c) Before and at the time Supplies are shipped, Seller shall give to Buyer sufficient warning in writing (including appropriate labels on the Supplies, containers and packing) of any hazardous or potentially hazardous material that is an ingredient, component or a part of any of the Supplies, together with such special handling instructions necessary to advise carriers, Buyer, and their respective employees how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Supplies, containers and packing shipped to Buyer. Seller shall comply with all applicable federal, state, provincial and local laws and regulations pertaining to product and warning labels.

(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.

5. Pricing, Invoices, Payment and Competitiveness.

(a) The price of Supplies set forth in the Purchase Order includes storage, handling, packaging, freight, insurance, transportation, and all other expenses, costs and charges of Seller, unless Buyer otherwise agrees in writing in the Purchase Order. Prices are not subject to increase, including any increase based upon changes in raw material or component pricing, labor or overhead, unless specifically agreed to by Buyer on the face of the Purchase Order.

(b) All invoices must reference: purchase order number, amendment or release number, description of Supplies, Buyer's part number, Seller's part number where applicable, quantity of pieces in shipment, number of cartons or containers, Seller's name and number, bill of lading number, and other information required by Buyer or the applicable law. Buyer may return incorrect invoices or related documents.

(c) Except as otherwise provided in these general terms and conditions of purchase, payment will be made against correct invoices and documents on the payment terms specified in the Purchase Order, subject to adjustments, set-offs, discrepancies and other unresolved issues. If not otherwise specified, payment will be made "2nd Day, 2nd Month". 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 Supplies provided under the Purchase Order. Payment will be made in US Dollars unless otherwise agreed by the parties in writing. The total price of Supplies set forth in the Purchase Order also includes all applicable taxes, excises, duties and other governmental impositions, 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, payroll taxes or any federal, state, municipal or other taxes on expenditures related directly or indirectly to the importation of Supplies (including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees and any other similar charges or fees), which shall be paid by Seller.

(d) Seller represents and warrants that the prices of Supplies under the Purchase Order are, and shall ensure that such prices remain, no less favorable to Buyer than any price which Seller presently, or in the future, extends to any other customer for the same or similar Supplies for similar quantities. If Seller offers a lower price for the same or substantially similar Supplies to any other customer during the term of the Purchase Order, then Seller will immediately offer Buyer the same price on the same terms and conditions as offered to the other customer. Seller also represents and warrants that the Supplies will remain competitive in terms of price, as well as technology, quality and delivery, with substantially similar goods and services available to Buyer from other suppliers.

(e) Seller represents and warrants to Buyer that Seller will fully disclose to Buyer, and give Buyer the full and sole benefit of (unless otherwise expressly agreed by Buyer following disclosure thereof by Seller), any and all discounts, refunds, rebates, credits, allowances or other financial or related incentives or payments of any kind to be provided or agreed to be provided by Seller (or any affiliate thereof) to any direct or indirect customer of Buyer (or any affiliate of such customer) and relating in any way to, and/or based on or determined, in whole or in part, with reference to Buyer's purchases of Supplies from Seller under the Purchase Order.

(f) Notwithstanding the foregoing and except as otherwise expressly agreed in writing, where Buyer is entitled to receive reimbursement or other payment from the Customer for Supplies to be provided by Seller to Buyer under the Purchase Order that constitute Tooling (as such term is defined below), Seller shall be entitled to receive payment under the Purchase Order for such Tooling only after and to the extent of, and in proportion to, Buyer's actual receipt of such reimbursement or other payment from the Customer.

6. Nonconforming Goods.

If defective Supplies are shipped to and rejected by Buyer, the quantities under this Purchase Order will be reduced unless Buyer otherwise notifies Seller. Seller will not

replace reduced quantities without a new order or Material Release Authorization from Buyer. In addition to other remedies available to Buyer, (i) Seller agrees to authorize return, at Seller's risk and expense at full invoice price, plus transportation charges, within one (1) working day of Buyer's notification and to replace defective Supplies as Buyer deems necessary, (ii) Buyer may retain and correct or have corrected at any time prior to shipment from Buyer's plant Supplies that fail to meet the requirements of the Purchase Order (even if the nonconformity does not become apparent until the manufacturing or processing stage), (iii) Seller will reimburse Buyer for all reasonable expenses that result from any rejection or correction of defective Supplies, (iv) Seller will document corrective actions within a commercially reasonable period after receipt of a defective sample and will take whatever measures necessary to correct the defect, and (v) Seller will comply with applicable processes and requirements implemented by Buyer concerning nonconforming Supplies, as in the case of ADVICS Manufacturing Ohio, Inc.'s NQP (notification of quality problem) form and related process for disposition of nonconforming goods (www.advics-ohio.com) or ADVICS Manufacturing Indiana, L.L.C.'s & ADVICS Manufacturing Mexico S. De R.L. De C.V SCAR (Supplier Corrective Action Response) process. Payment for nonconforming Supplies shall not constitute an acceptance of them, does not limit or impair Buyer's right to assert any legal or equitable remedy, and does not relieve Seller's responsibility for latent defects. Upon reasonable notice to Seller, either Buyer or Buyer's customer may conduct a routine audit at Seller's production facility for the purpose of quality, cost, or delivery verification.

7. Changes.

(a) Buyer may at any time, by written notice, make changes, or require Seller to implement changes, to destination, specifications, drawings, design, delivery schedules, sub-suppliers, or scope of Supplies covered by the Purchase Order. Buyer also reserves the right to otherwise change the scope of work covered by the Purchase Order, including work with respect to such matters as inspection, testing or quality control. Buyer may also direct the supply of raw materials or components from itself or third parties. Seller agrees to promptly make any such changes. Seller agrees to notify Buyer within ten days after receiving notice of a change if Seller expects that the change results in a difference in price or time for performance. After receiving all requested documentation, Buyer may, at its discretion, adjust the purchase price and delivery schedules equitably. If Seller does not provide timely notice to Buyer that a requested change may result in a difference in price or time for performance, the parties agree that Buyer's requested change does not affect the price or time for performance. In the event of any disagreement arising out of such changes, Buyer and Seller will work to resolve the disagreement in good faith, provided, however, that Seller will continue performing under this Contract, including prompt implementation of changes requested by Buyer, while Buyer and Seller resolve any disagreement arising out of such changes.

(b) Seller will not make any change in the Supplies, including without limitation in the Supplies' design, specifications, processing, materials, packing, marking, shipping or date or place of delivery, except at Buyer's written instruction or with Buyer's written approval. Seller shall be responsible for all costs incurred by Buyer for all such changes not authorized by Buyer.

8. Insolvency of Seller.

Buyer may immediately terminate the Purchase Order without liability to Seller in the event of the happening of any of the following or any other comparable event, and Seller shall reimburse Buyer for all costs incurred by Buyer in connection with any of the following, including but not limited to all attorney's and other professional fees: (i) insolvency of Seller; (ii) filing of a voluntary petition in bankruptcy by Seller; (iii) filing of an involuntary petition in bankruptcy against Seller; (iv) appointment of a receiver or trustee for Seller; (v) Seller needs accommodations from Buyer, financial or otherwise, in

order to meet its obligations under the Purchase Order; or (vi) execution by Seller of an assignment for the benefit of creditors of Seller. In the event that the Purchase Order is not terminated in accordance with the immediately preceding sentence, upon the occurrence of an event described in the immediately preceding sentence, Buyer may make equitable adjustments in the price and/or delivery requirements under the Purchase Order as Buyer deems appropriate to address the change in Seller's circumstances, including Seller's continuing ability to perform its obligations regarding warranty, nonconforming Supplies or other requirements under the Purchase Order.

9. Termination for Breach.

Buyer reserves the right to terminate all or any part of the Purchase Order, without liability to Seller, at any time, if Seller (i) repudiates, breaches, or threatens to breach any of the terms of the Purchase Order, including Seller's warranties; (ii) fails to perform or threatens not to perform or deliver Supplies in accordance with the Purchase Order; (iii) fails to make progress so as to endanger timely and proper completion or delivery of Supplies and does not correct the failure or breach 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 or breach; (iv) sells, or offers to sell, a substantial portion of its assets used for the production of 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 (v) the Seller fails to remain competitive with respect to quality, technology, delivery and pricing of the Supplies. Seller shall notify Buyer within ten days after entering into any negotiations that could lead to the situation specified in subsection (iv) above; upon Seller's request, Buyer will enter into an appropriate nondisclosure agreement related to information disclosed to Buyer in relation to such transaction.

10. Termination.

(a) In addition to any other rights of Buyer to cancel or terminate the Purchase Order, Buyer may at its option, immediately terminate all or any part of the Purchase Order (other than the minimum quantity specified in Section 3 at any time and for any reason by giving at least fourteen (14) days written notice to Seller. Buyer will have such right of termination notwithstanding the existence of an Excusable Delay under Section 30.

(b) Upon receipt of notice of termination, Seller unless otherwise directed by Buyer shall (i) terminate promptly all work under the Purchase Order, (ii) transfer title and deliver to Buyer the finished Supplies, the work-in-process and the parts and materials which Seller produced or acquired in accordance with the Purchase Order and which Seller cannot use in producing goods for itself or for others, (iii) verify and settle all claims by subcontractors, if any, for actual costs that are rendered unrecoverable by such termination and ensure recovery of materials in subcontractors' 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 Supplies to a different supplier under Section 32 hereof.

(c) Upon termination by Buyer under this Section, Buyer shall pay to Seller the following amounts without duplication: (i) the Purchase Order price for all finished Supplies which conform to the requirements of the Purchase Order and not previously paid for, (ii) Seller's reasonable actual cost of the work-in-process and parts and materials transferred to Buyer in accordance with subsection (b)(ii) hereof, (iii) Seller's reasonable actual cost of settling the claims of the obligation Seller would have had to the subcontractors in the absence of termination, and (iv) Seller's reasonable actual cost of carrying out its obligations under subsection (b)(iv) hereof. Buyer's obligation

upon termination under this Section shall not exceed the obligation Buyer would have had to Seller under any firm order reflected in the Purchase Order or any related Material Release Authorization outstanding at the effective date of termination. Unless otherwise stated in the Purchase Order, 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 Supplies, work-in-process or raw materials that Seller fabricates or procures or orders in amounts that exceed those authorized in the Material Authorization Releases, and general and administrative burden charges from termination of the Purchase Order.

(d) Within 21 days after the date of termination (or such shorter period as may be required by Buyer's customer(s)), Seller shall furnish to Buyer its termination claim, which shall consist exclusively of the items of Buyer's obligation to Seller that are listed in subsection (c) hereof. Buyer may audit Seller's records before or after payment to verify amounts requested in Seller's termination claim.

(e) Buyer will not have any obligation under Sections 10(a), (c) or (d) above if Buyer terminates Buyer's obligations under the Purchase Order because of a default or breach by Seller.

11. Confidentiality; Buyer's Property.

(a) All tooling (including without limitation patterns, castings tools, cavity dies, molds, jigs, fixtures, and gauges, with all related appurtenances, accessions and accessories), and all documents, standards or specifications, trade secrets, proprietary information, materials (including whether or not any of the foregoing are in any way modified, altered or processed), all intellectual property of Buyer and any other items furnished by Buyer either directly or indirectly to Seller to perform the Purchase Order, or for which Seller is paid or reimbursed by Buyer (collectively, "Buyer's Property"), shall be and remain the sole and exclusive property of Buyer.

(b) Buyer does not guaranty the accuracy, availability or suitability of any tooling, supplies or material or other Buyer Property furnished by it. Seller agrees carefully to check and approve all tooling, materials and other Buyer Property 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 tooling, materials and other Buyer Property supplied by Buyer. TO THE EXTENT PERMITTED BY LAW, BUYER, ITS OFFICERS, DIRECTORS, EMPLOYEES, SUBCONTRACTORS, AGENTS, REPRESENTATIVES, SUPPLIERS, DISTRIBUTORS, OR LICENSORS, SHALL HAVE NO LIABILITY TO SELLER OR TO ANYONE CLAIMING BY OR THROUGH SELLER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL OR OTHER DAMAGES OF ANY KIND WHATSOEVER, AND BUYER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE TOOLING OR OTHER BUYER PROPERTY, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND SELLER WAIVES FOR ITSELF AND ITS SUCCESSORS AND ASSIGNS ALL CLAIMS OF NEGLIGENCE AND STRICT LIABILITY.

(c) 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 the approval of Buyer, on a bailment basis, as a bailee-at-will. Seller agrees not to use Buyer's Property except in the performance of the Purchase Order unless otherwise expressly authorized by Buyer in writing, and to 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 three (3) years thereafter, or for as long as the Buyer's Property remains a trade secret, whichever is longer. 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 Supplies.

(d) To the extent that this Contract provides that Buyer will reimburse Seller for any specific items of Buyer's Property (such as tooling), Seller will purchase and pay for such Buyer's Property as agent of Buyer. To the extent that this Contract provides that Seller will obtain any specific items of Buyer's Property (such as tooling) without separate or additional payment or reimbursement by Seller, Seller acknowledges and agrees that Buyer's issuance of this Contract is good and sufficient consideration for such Buyer's Property and that title to such Buyer's Property shall vest immediately in Buyer and be held by Seller pursuant to this Section. Seller shall assign to Buyer any contract rights or claims in which Seller has an interest with respect to Buyer's Property. Title to all replacement parts, additions, improvements and accessories purchased by Seller will vest in Buyer immediately upon attachment to or incorporation into Buyer's Property. Seller will not assert, or permit any person claiming an interest through Seller to assert any claim of ownership to or any interest in Buyer's Property. When permitted by law, Seller waives any lien or other rights that Seller might have on or in any of Buyer's Property, and shall acquire and hold such Buyer's Property free and clear of any lien or other rights of third parties in such Buyer's Property (including without limitation molder's and builder's liens) for work performed on such property or otherwise. Goods manufactured based on Buyer's drawings and/or specifications may not be used for Seller's own use or sold to third parties without Buyer's express written authorization.

(e) Seller shall bear the risk of loss of and damage to Buyer's Property and Seller at its own expense shall keep such property insured for the benefit of Buyer. Buyer's Property shall at all times be properly 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 the Purchase Order; shall be deemed to be personalty; shall be conspicuously marked 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 prior written approval. Any replacement of Buyer's Property shall become Buyer's Property. Seller may not release or dispose of Buyer's Property without the express written permission of Buyer. Seller shall insure Buyer's Property with full fire and extended coverage insurance for its replacement value. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller, either (i) F.O.B. carrier at Seller's facility, properly packaged and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable cost of delivering such property to such location. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

(f) Seller agrees that Buyer and its affiliates have the right, at any time and from time to time, with or without reason and without payment of any kind, to retake immediately possession of or request the return of Buyer's Property 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, which rights, if any, are hereby waived, Buyer or its designee(s) will have the right to enter Seller's premises and take possession of any and

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. If Seller does not release and deliver any of Buyer's Property in accordance with this Section, Buyer may obtain an immediate writ of possession without notice and without the posting of any bond and/or enter Seller's premises, with or without legal process, and take immediate possession of 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.

(g) Seller shall have no claim or right in any names, trademarks, service marks, tradenames or logos owned, used or claimed now or in the future by Buyer or its affiliates (collectively, "Marks"). Supplier shall not make any claim to the Marks or marks confusingly similar to the Marks whether on behalf of Buyer or in its own name or interest.

12. 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 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, similar to Supplies, 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 Supplies under the Purchase Order on the same terms and conditions that are applicable to Seller-owned Tooling under Section 41 (c) below. 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 is being sold by Seller to others

13. Assignment.

Seller may not assign or delegate its duties or obligations under the Purchase Order without Buyer's written consent. In the event of any approved assignment or delegation authorized by Buyer, Seller retains all responsibility for Supplies, including without limitation all related warranties and claims, unless otherwise expressly agreed in writing by Buyer. Seller will provide Buyer with reasonable advance written notice of any assignment of Seller's right to receive payment under the Purchase Order, provided, however, that any such assignment shall not prohibit Buyer from enforcing any of its rights against the assignee. Buyer will have the right to assign any benefit or duty under this Contract to any third party upon notice to Seller.

14. Inspection.

Seller agrees that Buyer shall have the right to enter Seller's facility, and any subcontractor's facility, at reasonable times to inspect the facility, Supplies, raw materials, work in process, and any property of Buyer covered by the Purchase Order, for purposes, among other matters, of quality, cost or delivery verification. Buyer's inspection whether during manufacture, prior to delivery or after delivery, shall not constitute acceptance of any raw materials, work- in- process or finished Supplies and shall not be used as evidence of effective control of quality by the subcontractor or Seller. Buyer's acceptance, inspection or failure to inspect does not relieve Seller of any of its responsibilities or warranties under the Purchase Order, including without limitation the obligations of testing, inspection and quality control, nor shall it preclude subsequent

rejection by Buyer. Buyer is not required to perform incoming inspections of any Supplies and Seller waives any right to require Buyer to conduct any such inspections.

15.

Warranty.

(a) Seller expressly warrants and guarantees to Buyer, to Buyer's successors, assigns and Customers, and to users of Buyer's products, that all Supplies delivered or provided to Buyer and any special tools, dies, jigs, fixtures, patterns, machinery and equipment, that are obtained at Buyer's expense for the performance of a Purchase Order and/or are or become the property of Buyer (including the Buyer's Property as defined in Section 11) will: (i) be world-class, competitive Supplies in terms of price and related commercial terms and conditions, quality, delivery, service and technology, and conform to the specifications, standards, drawings, samples, descriptions, designs and revisions as furnished, specified or approved by Buyer, (ii) conform to all applicable laws, orders, regulations or standards in countries where Supplies or vehicles or other products incorporating Supplies are to be sold, including without limitation the National Traffic and Motor Vehicle Safety Act, the federal motor vehicle safety standards and the European Union Directive 2000/53/EC, (iii) be merchantable and free of defects in design (to the extent Seller or any of its subcontractors or suppliers designed or participated in the design of the Supplies in whole or in part, even if the design has been approved by Buyer), materials and workmanship, (iv) be selected, designed (to the extent Seller or any of its subcontractors or suppliers designed or participated in the design of the Supplies in whole or in part, even if the design has been approved by Buyer), manufactured or assembled by Seller based upon Buyer's intended use and be fit and sufficient for the purposes intended by Buyer, and (v) be free of all liens, claims and encumbrances whatsoever. Seller further expressly warrants that, unless otherwise expressly stated in the Purchase Order, the Supplies are manufactured entirely with new materials and none of the Supplies is, in whole or any part, governmental or commercial surplus or used, remanufactured, reconditioned or of such age or condition so as to impair its fitness, usefulness or safety. Notwithstanding any provision to the contrary in these general terms and conditions of purchase, the Seller also expressly warrants that the Supplies covered by a Purchase Order will not at any time (including after expiration or termination of the Purchase Order) pose an unreasonable risk to consumer or vehicle safety. The warranties set forth in a Purchase Order (including these general terms and conditions of Purchase) are in addition to those available to Buyer by law. that the Supplies are free from latent defects or conditions that would give rise to a defect regardless of whether the defect or condition was known or discoverable during the warranty period. These warranties are intended to provide Buyer with protection from any and all warranty claims brought against Buyer by its Customer, including Customer-required warranties relating to the Supplies or any products into which such Supplies are incorporated. All such Customer-required warranties are incorporated herein by reference.

(b) Unless otherwise set forth in a Purchase Order, the duration of each warranty provided by Seller to Buyer for the Supplies will end on the later of (i) the date of expiration of any warranty period provided by applicable law for the Supplies, (ii) expiration of any warranty (applicable to Supplies) provided by Buyer's Customer(s) for the vehicle or other products into which the Supplies are incorporated, (iii) the expiration of any specific warranty period or performance standard provided in any document incorporated by reference in a Purchase Order, including in the applicable specifications or quality standards of Buyer or Buyer's Customer(s), or (iv) in the event that Buyer or any direct or indirect Customer(s) of Buyer voluntarily or pursuant to a government mandate, makes an offer to owners of vehicles (or other finished products) on which the Supplies, or any parts, components, or systems incorporating the Supplies, are installed to provide remedial action or to address a defect or condition that relates to motor vehicle safety or the failure of a vehicle to comply with any applicable law, safety standard or guideline, whether in connection with a recall campaign or other customer satisfaction or

corrective service action ("Remedial Action"), the expiration of such period of time as may be dictated by Buyer's direct or indirect Customer or the federal, state, local or foreign government where the Supplies are used or provided, and Seller shall fully comply (among other matters) with the requirements under these general terms and conditions of purchase. The Buyer may change a new vehicle warranty or any warranty offered by it covering the Supplies. If the change is made after a production Purchase Order has been issued, the Buyer will promptly notify the Seller of the change.

(c) For all services, Seller further warrants that its work will be performed in a professional and workmanlike manner, consistent with all standards and specifications agreed on with Buyer and otherwise consistent with industry standards.

(d) Seller will immediately notify Buyer in writing if and at such time as it becomes aware of any ingredient, component, design or defect in Supplies that is or may become harmful to persons or property, or that the Supplies are or may not be fit or sufficient for the purpose intended.

(e) Buyer's approval of any design, drawing, material, process or specifications will not relieve Seller of its warranties.

(f) The following communications shall each constitute notice of a breach of warranty under the Purchase Order: (i) any communication specifying a defect, default, claim of defect or other problem or quality issue of the Supplies provided under the Purchase Order; (ii) any communication to Seller claiming that the Supplies are in breach of any warranty or that Seller is in default under the Purchase Order; and (iii) a termination notice from Buyer under Section 10. Any such claim by Buyer of breach may only be rescinded in writing by Buyer.

16.

Information and Data.

(a) Seller will furnish to Buyer, or another party designated by Buyer, without restrictions on use or disclosure, all information and data Seller acquires or develops in the course of Seller's activities under the Purchase Order. Seller will also assign to Buyer each invention, discovery or improvement (whether or not patentable) that is conceived or first reduced to practice by Seller or any person employed by or working under the direction of Seller, in the performance of the Purchase Order. Seller will promptly disclose to Buyer, in a form acceptable to Buyer, all such inventions, discoveries or improvements and will cause its employees, subcontractors and related persons to sign any papers necessary to enable Buyer to obtain title to and to file applications for patents throughout the world. At Buyer's request, Seller will discuss with Buyer or another party designated by Buyer (such as Buyer's customer), without restrictions on use or disclosure, any potential design, quality or manufacturing problems with Supplies Seller has worked on or produced or delivered pursuant to a Purchase Order. At Buyer's request, Seller will also furnish to Buyer all other information and data of Seller which Buyer (or Buyer's customer(s)) deem necessary to understand the operation and to maintain the Supplies delivered under the Purchase Order, and to understand and apply the information and data of this Section 16(a), with no restrictions on use other than Seller's patent rights. Unless otherwise expressly agreed by Buyer in writing, all Supplies or other deliverables provided under the Purchase Order and all related intellectual property rights first conceived or reduced to practice in the performance of the Purchase Order are owned by Buyer and not by Seller.

(b) Seller grants to Buyer and Buyer's affiliates a permanent, paid-up, royalty-free, worldwide, nonexclusive license, including a license to any software incorporated into the Supplies, with a right to grant a sublicense to Buyer's customer(s) with respect to the Supplies and to any of Buyer's affiliates, (i) to make, have made, use, have used, import and sell the Supplies of a Purchase Order or derivatives thereof under

any other patents, copyrights or intellectual property now or hereafter owned or controlled by Seller which are deemed necessary by Buyer or its affiliates to exercise its rights under Section 16(a) in the manufacture, use or sale of Supplies or other products or services manufactured by or for Buyer or any of its affiliates, and (ii) to reproduce, use, repair, modify and sell any software incorporated in the Supplies in conjunction with the use or sale of the Supplies.

(c) To the extent Buyer or its affiliates require a license that is not provided in Sections 16(a) or (b) or (f) or otherwise in the Purchase Order, Seller grants to Buyer and agrees to grant to any affiliates designated by Buyer and (at Buyer's request) to Buyer's customer(s) for Supplies, a nonexclusive license, on reasonable terms and conditions, to make, have made, use, have used, import and sell under any other patents or intellectual property now or hereafter owned or controlled by Seller in the manufacture, use or sale of Supplies or other products or services manufactured by or for Buyer or any of its affiliates.

(d) Unless otherwise agreed to in writing by the Parties, no information (including without limitation technical information and data) disclosed in any manner at any time by Seller to Buyer will be deemed secret or confidential. Seller agrees not to assert any claim (other than a claim for patent infringement) 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 covered by the Purchase Order.

(e) All Supplies or other deliverables provided under the Purchase 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, or unless Seller has obtained and grants to Buyer and its affiliates and customers, rights to such third party intellectual property parallel to Buyer's rights under this Agreement with respect to intellectual property owned or developed by Seller (see Sections 16(a), (b) and (c) above).

(f) Without limiting any other provision of the Purchase Orders, Seller hereby grants Buyer an irrevocable, nonexclusive, worldwide, royalty-free, paid-up, license, under the proprietary rights of Seller (including proprietary rights to which Seller has the right to grant licenses, and including, without limitation, any patent, copyright, moral, industrial design right, trademark or other proprietary right) ("Seller Proprietary Rights"): (i) in the event that the Purchase Order is terminated by Buyer under Sections 8 or 9, and/or (ii) in the event that Seller for any reason is unable to satisfy the quality, quantity, delivery or related requirements of Buyer for Supplies under the Purchase Order and/or additional orders (including, for example and without limitation, in the event of force majeure/excusable delay, or increased demand due to volume requirements for a corrective field service action/recall or other Remedial Actions, or by reason of Seller's insolvency, or in the event of a required change or expansion in relation to the country(ies) of manufacture or delivery): (A) to make, have made, use, sell, offer to sell, and import the Supplies, (B) to copy, modify, use, distribute, publicly display/perform, prepare derivative works of, reproduce in the case of a mask work, and import or distribute in the case of a semiconductor chip product in which a mask work is embodied, any copyrighted or copyrightable portions of such Seller Proprietary Rights relating in any way to Supplies, and (C) to do all other things and exercise all other rights in the Seller Proprietary Rights necessary or useful to avoid, remedy and mitigate, as Buyer reasonably determines to be appropriate, all or any portion of any consequences to Buyer, and to any direct and indirect customers of Buyer, arising from any situation under subparagraphs (i) or (ii) above. Rights under this Section 16(f) are intended to be subject to 11 USC Section 365(n), as executory agreements under which Buyer has license rights

to the Seller Proprietary Rights, and are supplementary to any other rights of Buyer under existing Orders and other agreements (if any) with Seller.

(g) At no additional cost, Seller will grant Buyer and Buyer's affiliates a license to use any other proprietary rights owned or controlled by Seller or Seller's affiliates that is necessary or incident to the reasonably intended use or application of the Supplies.

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

17. Repair and Rebuild Rights.

Seller agrees that Buyer, Buyer's affiliates, agents and subcontractors, and direct and indirect customers (including their affiliates and subcontractors) have the worldwide, irrevocable right to repair, reconstruct, or rebuild, and to have repaired, reconstructed or rebuilt, the Supplies delivered under the Purchase Order without payment of any royalty or other compensation to Seller.

18. Copyrights.

All works of authorship, including without limitation, software, computer programs, and data bases, and all enhancements, modifications and updates thereof and all other written work products or materials, which are created in the course of performing the Purchase Order are "works made for hire" and the sole property of Buyer. To the extent that such works of authorship do not qualify under applicable law as works made for hire, Seller agrees to assign and hereby assigns to Buyer all right, title and interest in any copyrights, moral rights and any other intellectual property rights in and to such works of authorship.

19. Insurance.

Seller shall obtain and maintain insurance coverage in amounts required under the Purchase Order and as requested by Buyer and Buyer's customer(s) from time to time, including without limitation comprehensive general liability insurance, such as (i) liability for damage or loss as may be suffered by the parties (including those due to force majeure), (ii) civil or product liability that may arise from Seller's manufacturing and other responsibilities and obligations under this Agreement, and (iii) labor risk liability for compensation in case of accidents, and against the consequences for any act or default of Seller's employees while on the premises of Buyer. Seller will furnish to Buyer a certificate showing compliance with this requirement, including the amount of coverage, policy number and date(s) of expiration for insurance maintained by Seller, and certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer (and, if requested by Buyer, Buyer's customers) will receive 30 days prior written notice from the insurer of any termination or reduction in the amount or scope of coverages. The existence of insurance does not release Seller of its obligations or liabilities under this Purchase Order.

20. Compliance With Laws.

Seller, and any Supplies supplied by Seller, will comply with all applicable laws, rules, regulations, orders, conventions, ordinances and standards of the country (ies) of origin and destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the Supplies, including, but not limited to those relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. The Purchase Order incorporates by reference all clauses required by these laws. All materials used by Seller in the Supplies or in their manufacture shall satisfy current

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 represents that any Supplies purchased by Buyer under the Purchase Order will not be produced with forced labor either by Seller or Seller's suppliers. Seller will defend, hold harmless, and indemnify Buyer, Buyer's successors and assigns, Buyer's customers (both direct and indirect, including manufacturers of vehicles in which such Supplies are incorporated), and dealers and users of the products sold by Buyer (or the vehicles in which they are incorporated).

21. Audit Rights.

(a) During the term of the Purchase Order and for an additional three years after final payment under the Purchase Order, Buyer has the right at any reasonable time to send its authorized representatives to examine all pertinent documents and materials in the possession or under the control of Seller relating to any of Seller's obligations under the Purchase Order or any payments requested by Seller pursuant to the Purchase Order. Seller shall maintain all pertinent books and records relating to the Purchase Order for a period the longer of (i) three years after completion of services or delivery of Supplies and final payment pursuant to the Purchase Order, or (ii) the period of time for which such books and records are required to be maintained by applicable law. Seller shall segregate its records and otherwise co-operate with Buyer so as to facilitate any such audit.

(b) If such audit shows any price discrepancy or Seller's noncompliance, Seller shall reimburse Buyer for any such discrepancy or other loss caused by Seller's noncompliance with the Purchase Order, together with interest at any annual rate of twelve percent (12%) (or such maximum rate allowed by law, if lower), plus the cost of such audit.

(c) Buyer, or a third party designated by and acting on behalf of Buyer, may at any time review the overall financial condition of Seller and its affiliates, and Seller shall fully cooperate in such review and shall make its financial managers available for discussions during reasonable business hours. Buyer and any such third party shall keep confidential any non-public information about Seller and its affiliates obtained in such financial review and shall use such information only for purposes of such financial review, except as otherwise needed to enforce the Purchase Order.

(d) Seller agrees that if Seller experiences any delivery or operational problems, Buyer may, but is not required to, designate as representative to be present at Seller's applicable facility to observe Seller's operations.

22. Setoff.

In addition to any right of setoff or recoupment provided by law, all amounts due Seller shall be considered net of indebtedness or obligations of Seller and its affiliates or subsidiaries to Buyer and its affiliates or subsidiaries. Buyer shall have the right to set off against or recoup from any payment or other obligation owed to Seller, in whole or in part, any amounts due or to become due from Seller or its affiliates or subsidiaries to Buyer or its affiliates or subsidiaries. Buyer will provide Seller with a statement describing any offset or recoupment taken by Buyer.

23. Governing Law; Jurisdiction.

The Purchase Order shall be governed by and 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 laws provisions that would require application of another choice of law. Disputes arising from this Contract, other than

claims for specific performance and/or injunctive relief, shall be finally settled by arbitration before the American Arbitration Association, Detroit, Michigan, pursuant to its commercial arbitration rules then in effect. The decision of the arbitrator shall be final and binding upon Buyer and Seller, shall not be appealable, and judgment on the award rendered may be entered and enforced in any court of competent jurisdiction. Any litigation on contractual claims arising from the Purchase 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 on the fact of the Purchase Order, 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 the Purchase Order issued. Punitive and exemplary damages shall not be awarded.

24. Subcontracts.

Seller will inform Buyer in writing of any third parties to whom Seller subcontracts any of the work required under the Purchase Order, specifying in detail the work, which has been subcontracted to such third party. Seller will ensure that any third party to whom Seller subcontracts any of the work hereunder is bound by all the terms and conditions relating to such work to which Seller is bound under the Purchase Order, and Seller, among other matters, will obtain for Buyer the rights and licenses granted in Sections 16, 17, and 18 and, where applicable, Sections 37 to 41.

25. Customs, Export Controls, and Related Matters.

Credits or benefits resulting or arising from the Purchase Order, including 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 (or Buyer's customers) to receive these benefits or credits. Seller agrees to fulfill any customs related obligations, origin marking or labeling requirements and local content origin requirements. Export licenses or authorizations necessary for the export of Supplies are Seller's responsibility unless otherwise indicated in the Purchase Order, in which case Seller will provide the information necessary to enable Buyer to obtain the licenses or authorizations. Seller shall undertake such arrangements as necessary for the Supplies to be covered by any duty deferral or free trade zone program(s) of the country of import. Seller will promptly notify Buyer in writing of any material or components used by Seller in filling the Purchase 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 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 Purchase Order will be made at not less than fair value under the anti-dumping laws of the countries to which the Supplies are exported.

26. Service and Replacement Parts.

During the term of the Purchase Order, Seller will sell to Buyer Supplies necessary to fulfill Buyer's service and replacement parts requirements, including the requirements of Buyer's customers, at the then current production price(s) under the Purchase Order. If the Supplies are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that will not, in the aggregate, exceed the

current production price of the applicable system or module less assembly costs. After Buyer completes its purchases for its customers' current model requirements, Seller will manufacture, produce and supply such Supplies, component and/or parts to Buyer or Buyer's designee in order to fulfill Buyer's and Buyer's customers' service and replacement parts' requirements for the longer of (i) a period of twenty (20) years (unless otherwise expressly provided in the Purchase Order) following the end of the related vehicle production program(s) of Buyer's Customer or (ii) the relevant Customer's requirements with respect to such service and replacement parts (the "Post-Production Period"), at the following prices (and subject to applicable Purchase Order terms and conditions including these general terms and conditions): (a) during the first three (3) years of the Post-Production Period, the price(s) of such goods will be the production price(s) in effect at the commencement of the Post-Production Period, and (b) for the remainder of the Post-Production Period, the price(s) for such service and replacement parts shall continue at the same level, subject to adjustment for any actual any actual cost differentials for packaging and logistics and to take account of appropriately documented cost changes due to raw materials and set up during this period. Supplier shall produce Post-Production service and replacement parts at such times and in such quantities as are necessary to allow Buyer to fulfill its past model service and replacement parts requirements for all applicable vehicles. If requested by Buyer, Seller will make service literature and other materials available at no additional charge to support Buyer's service and replacement parts sales activities. Seller will keep tools and dies available and at operational conditions to fulfill all service parts requirements by the Buyer for the Post-Production Period, and Seller will be responsible for developing the same commitments and agreements with its own suppliers.

27.

Indemnification.

(a) To the fullest extent permitted by law, Seller will defend, hold harmless, and indemnify Buyer, Buyer's customers (both direct and indirect, including manufacturers of vehicles in which such Supplies are incorporated), and dealers and users of the products sold by Buyer (or the vehicles in which they are incorporated), including their respective agents, customers, invitees, subsidiaries, affiliates, successors and assigns, from and against all damages, claims, liabilities and expenses (including, without limitation, attorney and other professional fees and disbursements, settlements and judgments) arising out of or resulting in any way from any defective Supplies, or from any negligent or wrongful act or omission of Seller, or Seller's agents, employees or subcontractors, or any breach or failure by Seller to comply with any of Seller's representations or other terms and conditions of the Purchase Order, including without limitation any third party claims or demands to recover for personal injury or death, property damage or economic loss, warranty claims, and/or product recall claims or other corrective service actions or Remedial Actions. Seller's obligation to defend and indemnify will apply regardless of whether such claim or demand arises under tort, negligence, contract, warranty, strict liability or other legal theories except for claims that arise as a result of the sole negligence of Buyer.

(b) Seller will indemnify and hold Buyer harmless, among other matters, in respect of the cost of recall campaigns and other corrective service actions that, in Buyer's reasonable judgment, are required because of nonconformities in some or all of the Supplies provided by Seller hereunder.

(c) 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; (iii) Seller's employees, contractors, and agents will not possess, use, sell, transfer, or be under the influence of, alcohol or unauthorized,

illegal, or controlled drugs or substances on the premises; and (iv) to the fullest extent permitted by law, Seller will defend, hold harmless and indemnify Buyer and Buyer's customer (and their respective officers, directors, employees, agents and successors and assigns) from and against any liability, claims, demands, damages, costs or expenses (including without limitation attorney's fees and other professional fees and disbursements, settlements and judgments) for damages to the property of or personal injuries to Buyer, its customer, their respective employees, or any other person or entity, if the claims arise from or in connection in any way with Seller's performance of any service or work on the premises or Seller's use of Buyer's or Buyer's customer's property, except for any liability, claim, or demand arising out of the sole negligence of Buyer or Buyer's customer.

(d) Seller will defend, hold harmless and indemnify Buyer, Buyer's successors and assigns, Buyer's customers (both direct and indirect, including manufacturers of vehicles in which such Supplies are incorporated), and dealers and users of the products sold by Buyer (or the vehicles in which they are incorporated) against any suit, claim or action for actual or alleged direct or contributory infringement or inducement to infringe 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 resulting damages and expenses (including, without limitation, attorney's and other professional fees and disbursements, settlements and judgments) arising in any way in relation to the Supplies covered by the Purchase Order (including without limitation their manufacture, purchase, use and/or sale), including such claims or circumstances where Seller has provided only part of the Supplies, and Seller expressly waives any claim against Buyer that any such infringement arose out of compliance with Buyer's specifications. Seller agrees 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 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. Seller agrees 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.

28. No Advertising.

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

29. Remedies, Waiver.

(a) The individual remedies reserved in the Purchase Order will be cumulative with, and additional to, all other or legal or equitable remedies. Buyer will notify Seller if any Supplies fail to conform to the warranties set forth in Section 15, or if Seller fails to comply with or breach any of Seller's representations in the Purchase Order or any of the terms and conditions of this Purchase Order, or if Seller (or its agents, employees, or subcontractors) commits any other negligent or wrongful act or omission. At Buyer's request, Seller will reimburse Buyer for any incidental or consequential damages caused by nonconforming Supplies, including but not limited to, costs, expenses, and losses incurred directly or indirectly by Buyer or its customer(s): (i) in inspecting, sorting, repairing or replacing the nonconforming Supplies; (ii) resulting from production interruptions; (iii) in conducting recall campaigns or other corrective service actions; or (iv) resulting from personal injury (including death) or property damage caused by the nonconforming Supplies. Consequential damages include professional fees

incurred by Buyer. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming Supplies, and will participate in and comply with any warranty reduction or related programs of Buyer or (to the extent directed by Buyer) Buyer's customer(s) that relate to the Supplies. In any action brought by Buyer to enforce Seller's obligation to produce and deliver Supplies under the Purchase Order, the parties agree that Buyer does not have an adequate remedy at law and Buyer is entitled to specific performance of Seller's obligations under the Purchase Order.

(b) The failure of either party at any time to require performance by the other party of any provision of the Purchase 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 the Purchase Order constitute a waiver of any later breach of the same or any other provision of the Purchase Order.

30.

Excusable Delay.

Neither Buyer nor Seller will be liable for a failure to perform if, and to the extent, that it arises from causes or events beyond its reasonable control 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. The foregoing sentence shall not apply, however, to any failure to perform or delay in performing arising from or as a result of: (i) Seller's financial difficulties; (ii) a change in cost or availability of materials or components based on market conditions or supplier actions affecting Seller; or (iii) any labor strike or other labor disruption applicable to Seller or to any of its subcontractors or suppliers that are engaged in manufacturing or providing goods or services to Seller in connection with Seller's obligations under the Purchase Order. The party claiming the excusable delay shall give notice (including the anticipated duration of the delay) in writing as soon as possible after the occurrence of such cause or event. In the event of an excusable delay in performance, Buyer, at its option, (i) may acquire possession of all finished goods, work in process, and parts and materials produced or acquired for the work under this Contract, and Seller will deliver such articles to Buyer or, at Buyer's option, Seller's facility or F.O.B. Buyer's facility; or (ii) may also obtain the Supplies covered by this Contract elsewhere for the duration of the impediment and a reasonable period thereafter; or (iii) may have Seller provide 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 will take all necessary actions to ensure the supply of Supplies to Buyer for a period of at least 30 days during any anticipated labor disruption or resulting from the expiration of the labor contract.

31.

Customer Requirements.

(a) Seller agrees to comply with the applicable terms and conditions of any agreements ("Customer Purchase Orders") received by Buyer from a third party ("Customer"), or directly or indirectly applicable to Buyer, pursuant to which or in respect to which Buyer agrees to supply to Customer, or incorporate into goods supplied to Customer, Supplies purchased by Buyer from Seller. The terms "Customer" and "Customer Purchase Orders" shall also include the final equipment manufacturer of goods or services into which the Supplies are or will be incorporated, as well as any intermediate entities in the supply chain between Buyer's direct Customer and such final equipment manufacturer, and related terms and conditions of such Customers. Buyer may in its discretion supply Seller with information regarding the Customer Purchase Orders. Seller will be responsible for ascertaining how such Customer Purchase Order affects Seller's obligations under the Purchase Order, and Seller will meet all such Customer Purchase Order terms and conditions to the extent within Seller's control. In

the event of a conflict between the Purchase Order or these general terms and conditions of purchase and the terms of the Customer Purchase Order, Buyer will determine, in its sole and absolute discretion, which terms will supersede and apply to Seller. Seller will do everything within its control to enable Buyer to meet the terms and conditions of the Customer Purchase Orders, including without limitation, cost and productivity terms and price reductions. By written notice to Seller, Buyer may elect to have the provisions of this Section prevail over any conflicting term between Buyer and Seller.

(b) 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 and in connection with actual or threatened termination by the customer of its contract(s) with Buyer (by rejection or otherwise), 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 Purchase Order will otherwise remain in effect without modification.

(c) If Buyer's direct or indirect Customer directed, recommended, requested, suggested or otherwise identified Seller as the source from which Buyer is to obtain the Supplies ("Directed Supply Relationship"), then notwithstanding the particular payment terms otherwise applicable to the Purchase Order or anything to the contrary in the Purchase Order: (i) in no event will Seller have a right to receive payment from Buyer for the Supplies except following, and in proportion to, Buyer's actual receipt of payment from its Customer for the Supplies or, as applicable, the goods in which the Supplies are incorporated, (ii) any lengthening of Customer's payment terms to Buyer will automatically lengthen the payment terms as between Buyer and Seller by the same amount of time, and Buyer may, at its option and on notice to Seller, otherwise revise its payment terms for Supplies to take into account any other change in the payment terms of Buyer's Customer for the Supplies under the Purchase Order; (iii) within three (3) business days of any change in price, specifications or other terms negotiated or proposed between Seller and Buyer's direct or indirect Customer, Seller shall notify Buyer in writing and immediately adjust its invoices to reflect any price reduction, provided that no change will be binding on Buyer without Buyer's specific written consent, and (iv) (without limiting any other rights and remedies of Buyer) Seller will indemnify and hold harmless Buyer from any liabilities, claims, demands, losses, damages, costs and expenses (including without limitation attorneys' fees and other professional fees) incurred by Buyer arising from or relating to the Supplies supplied by Seller and/or the Directed Supply Relationship, and including without limitation any charges or set-offs (including without limitation interim field service action cost recovery debits) taken by Customer against Buyer by reason of alleged defects in Supplies, even if such set-offs by Customer are before final determination of (and subject to adjustment based upon) whether and to what extent defects in Supplies were a cause of the related remedial action undertaken and related costs/damages incurred by Customer. In the event that any requirement imposed by any Purchase Order on Seller is found to be unenforceable or a gap otherwise exists or is created in the terms applicable to any Purchase Order through operation of law, conflict in terms or otherwise, the parties agree that the corresponding requirement of Customer(s) shall be applicable to and binding on Seller for the benefit of Buyer. Seller acknowledges that it is familiar with the automotive industry and the applicable terms of Customer(s) that would apply in such event.

32.

Transition of Supply

(a) The Buyer and Seller acknowledge and agree that, where the Supplies represent materials or components that will be incorporated into or used in the production of Supplies that will be incorporated into motor vehicles, any disruption in the supply of Supplies would materially and irreparably harm Buyer and Buyer's customers and that any resourcing of the Supplies by Buyer to an alternative source would require significant

time, effort, cost and resources. Accordingly, in the event the Purchase Order expires or is terminated by either party, in whole or in part, for any reason, or Buyer's other decision to change to an alternate source of Supplies (including but not limited to a Buyer-owned or -operated facility) ("alternative supplier"), Seller will cooperate in the transition of supply, including the following (collectively, "Transition Support"): (i) Seller will continue production and delivery of all Supplies as ordered by Buyer, at the prices and other terms stated in the Purchase Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete the transition to the alternative supplier(s) (including, at Buyer's request, providing a sufficient bank of Supplies) such that Seller's action or inaction causes no interruption in Buyer's ability to obtain Supplies as needed; (ii) at no cost to Buyer, Seller will (A) 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; (B) will provide all notices necessary or desirable for Buyer to resource the Purchase Order to an alternative supplier; (C) when requested by Buyer, will return to Buyer all Buyer's Property in as good condition as when received by Seller (reasonable wear and tear excepted); and (D) will comply, and cause Seller's subcontractors to comply, with Seller's obligations relating to Seller's Proprietary Rights and Seller's Property under the Purchase Order including these general terms and conditions of Purchase (see, e.g., Sections 12 and Section 16) and with comparable subcontractor obligations, as applicable, and (iii) subject to Seller's reasonable capacity constraints, Seller will provide special overtime production, storage and/or management of extra inventory of Supplies, extraordinary packaging and transportation and other special services as expressly requested by Buyer in writing.

(b) If the transition 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 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 accordance with the provisions of Section 23.

(c) Seller acknowledges that the terms of this Section 32 are reasonable under the circumstances and that if Seller asserts or claims that Seller may terminate the Purchase Order at will for any reason prior to the expiration of the Term, or asserts a claim that Seller may terminate this agreement for material breach by Buyer (notwithstanding Section 32(b) above), Seller will nonetheless perform its obligations under these general terms and conditions of purchase, except in the case where Seller's termination of the Purchase Order is based on Buyer's material breach of the Purchase Order as finally determined by a court of competent jurisdiction following notice to Buyer and Buyer's reasonable opportunity to cure.

33. Relationship of Parties.

Seller and Buyer are independent contracting parties and nothing in the Purchase Order shall make either party the agent or legal representative of the other for any purpose. The Purchase 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.

34. Severability.

If any term of the Purchase 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 the Purchase Order shall remain in full force and effect.

35. Survival.

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

36. Entire Agreement; Modification; Buyer's Website.

(a) The Purchase Order, together with the attachments, exhibits or supplements, specifically referenced in the Purchase Order, constitutes the entire agreement between Seller and Buyer with respect to the matters contained herein and supersedes all prior oral or written representations and agreements. The Purchase Order may only be modified by a written amendment executed by authorized representatives of each party or, in the case of changes within the scope of Section 7, by a purchase order amendment issued by Buyer. No course of dealing or usage of trade shall be applicable unless expressly incorporated in the Purchase Order or these terms and conditions. All payments by Buyer to Seller under this Contract are without prejudice to Buyer's claims, rights or remedies. Any stenographic or clerical errors in these terms and conditions are subject to correction by Buyer.

(b) Buyer may modify these purchase order terms and conditions from time to time by posting revised purchase order terms and conditions to Buyer's internet website at www.advics-ohio.com (or such other website as may be directed through links available on such website) or as specified on the face of the Purchase Order ("Buyer's Website"), at least five (5) business days prior to any modified purchase order terms and conditions becoming effective. Such revised purchase order terms and conditions shall apply to all Purchase Order revisions / amendments and new Purchase Orders issued on or after the effective date thereof. Seller shall be responsible to monitor Buyer's Website with respect to Buyer's purchase order terms and conditions.

Supplemental Provisions Applicable to Tooling.

37. Tooling Order.

If Buyer issues a Tooling Purchase Order, Seller will design and fabricate, rework, or acquire from such sources as Buyer has given prior approval, and install the tools, dies, fixtures, molds, or patterns ("Tooling"), described in such Tooling Order, subject to the terms and conditions contained herein.

38. Samples, Status.

Seller shall, at its own expense, manufacture a reasonable number of sample parts on the Tooling for inspection and/or testing by Buyer to ensure the capability of the Tooling to produce parts, which meet Buyer's and Buyer's customers' quality standards, including latest revisions of ISO9001 OR ISO9001/TS16949/IATF16949. In addition to Seller's obligations under Sections 15 and 16, to the extent technically feasible, the Tooling shall be designed and fabricated to be sufficiently durable to support the manufacture of all production and service requirements through the production lifetime of the part and also permit the production of Buyer's subsequent service-only requirements. The Tooling will be deemed to be completed when the necessary samples have been submitted and approved by Buyer. Buyer may request Seller to furnish semimonthly (or more frequently at Buyer's option) status reports on the construction and acquisition of the Tooling. Each status report shall identify the Tooling, identify the subcontractors working on the Tooling, and designate the percentage of completion of the work. Seller will notify Buyer immediately upon becoming aware that the Tooling may not be completed by the completion date specified on the Tooling Purchase Order and Seller shall furnish to Buyer a schedule of the actions that Seller will take, at Seller's expense, to

achieve completion on the specified completion date.

39. Title, Identification.

All right, title, and interest in and to any part of Tooling to be paid for by Buyer or Buyer's customers ("Buyer-owned Tooling") shall pass to Buyer as soon as it is acquired or fabricated in accordance with a Tooling Purchase Order or other written documentation issued by Buyer. All Buyer-owned Tooling in the possession of Seller shall be deemed to be Buyer's Property and subject to all the provisions of Section 11. If Seller subcontracts all or any portion of the manufacture of the Buyer-owned Tooling, Seller shall so notify Buyer in advance and obtain for Buyer all of the rights contained in this Section 39 from each such subcontractor used by Seller.

40. Tooling Invoices, Payment for Buyer-Owned Tooling.

(a) Payment for Buyer-Owned Tooling will be made after the Tooling is completed and in accordance with Buyer's standard/normal payment terms unless stated otherwise on the Tooling Purchase Order.

(b) If a Tooling Purchase Order designates that it is noncompetitively placed or based on affordable targets, Buyer's payment obligation shall be no more than the specified maximum, if any, for (i) Seller's actual costs for purchased materials and services (including purchased Tooling and portions thereof), and (ii) Seller's actual cost for direct labor and overhead. Seller shall establish a reasonable accounting system that enables ready identification of Seller's cost. Buyer may audit Seller's records, at any time prior to two (2) years after final payment, to verify Buyer's payment obligation to Seller.

(c) To the extent permitted by applicable law, any payments made by Buyer for Buyer-owned tooling 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 express 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 express trust and as such, such tooling subcontractor shall have the right to enforce these terms 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.

41. Provisions Applicable to Seller-Owned Tooling.

If Seller has been notified that the special tooling required to support production of Supplies for this Contract is to be funded by Seller ("Seller-owned Tooling"), the following provisions shall apply:

(a) Seller acknowledges that the Purchase Order price includes a cost element to help Seller recover the capitalization of Seller-owned Tooling. The Seller-owned Tooling will be properly maintained by the Seller at its own expense for so long as the Supplies are purchased by Buyer for its serial production as well as for its service and replacement part requirements.

(b) Seller, at its expense, shall keep in good condition, repair, and replace when necessary, the Seller-owned Tooling. Seller shall insure Seller-owned Tooling with full fire and extended coverage insurance. If Seller uses the Seller-owned Tooling to produce the goods for other customers, including aftermarket customers, such goods shall

not incorporate any of Buyer's logos, trademarks, tradenames or unique part numbers. Seller shall not disclose or imply in its marketing efforts that the goods are equivalent to Supplies purchased from Seller by Buyer or any of its affiliates. Seller shall indemnify and hold Buyer (including its employees) harmless from and against any claim, expense, loss or liability arising out of its sale of goods to other customers or caused by or resulting from defects in design, materials or workmanship of the goods sold to such customers; the failure of Seller (or its subcontractors) to fully comply with applicable federal, state, provincial, or local laws, statutes, regulations or governmental directives which regulate the sale of goods to such customers; and from any and all claims, suits and liability for loss of or damage to any tangible property or persons (including death) caused by any act or omission, including negligent or willful conduct of Seller or its subcontractors, arising out of such sales of goods to other customers.

(c) In consideration of Buyer's Purchase Order for Supplies to be produced from the Seller-owned Tooling, Seller grants Buyer an exclusive, irrevocable option to purchase Seller-owned Tooling by paying the lesser of the outstanding unrecovered capitalization or the fair market value at the time Buyer exercises the option. Buyer may exercise this option at any time and in the event of termination or expiration of such Purchase Order and upon such exercise by Buyer, Seller will cooperate with Buyer's removal of the property from Seller's premises, provided however the this option does not apply if the Seller-owned Tooling is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods from the Seller-owned Tooling are being sold by Seller to others. If Seller finances any portion of the Seller-owned Tooling, Seller will obtain for Buyer the rights granted in this subsection (c) from its financing source.

42.

Property Taxes.

Seller shall be responsible for any state and local property taxes assessed on Tooling used in or relating to the performance of the Purchase Order by or on behalf of Seller -- including Tooling which is Buyer's Property. In order to fulfill its responsibility with respect to state and local property taxes on Tooling, Seller will include such Tooling on its own property rendition forms and pay property taxes on such Tooling as if it were owned by Seller. Buyer will cooperate with Seller in obtaining any necessary approvals as may be required by state or local authorities for this procedure. Seller shall comply with all applicable valuation and reporting rules for such Tooling, including the use of valid non-standard valuations as may be appropriate to accurately reflect the true value of the Tooling and legally minimize property tax liabilities. Seller shall pay all taxes assessed on such Tooling directly to the appropriate authorities in a timely manner. Seller shall be responsible for all personal property tax audits and other inquiries by the state and local taxing authorities concerning the Tooling. Seller shall perform the foregoing activities at its own cost and will indemnify Buyer for any taxes, penalties, interest, legal fees, or other costs incurred by Buyer as a result of Seller's failure to properly perform these activities. As owner of the tooling which is Buyer's Property, Buyer is entitled to all federal and state income and franchise tax credits applicable to such Tooling investment.



Appendix A – Mexico Country Supplement

ADVICS MANUFACTURING MEXICO, S. DE R.L. DE C.V.
GENERAL TERMS AND CONDITIONS OF PURCHASE

Notwithstanding anything to the contrary in the ADVICS General Terms and Conditions of Purchase (the “Terms”), the provisions of this Mexico Country Supplement shall apply whenever ADVICS Manufacturing Mexico, S. de R.L. de C.V. (“ADSMX”) is the Buyer, or the Seller is a Mexican entity, or when referenced by ADSMX in either the Purchase Order or other document.

Where applicable, the provisions of the Terms shall be replaced or complemented with the provisions described below, only in respect to the section and subsections indicated below.

Section in Terms	Superseding terms of Mexico Country Supplement
1.	<p><u>Offer; Acceptance.</u></p> <p><i>Replace subsection (b) with the following:</i></p> <p>“Buyer” is ADVICS Manufacturing Mexico, S. de R.L. de C.V. or any other subsidiary or affiliate of ADVICS North America, Inc. that is identified in the Purchase Order, Mexican or not; if no such entity is identified, the Buyer is ADVICS Manufacturing Mexico, S. de R.L. de C.V.</p> <p>Buyer and Seller agree on the use of electronic data interchange systems, facsimile, email, and any other electronic means to facilitate purchase and sale transactions between themselves, as long as such systems comply with the requirements established by the Mexican Commerce Code.</p>
5(c)	<p><u>Pricing, Invoices, Payment and Competitiveness.</u></p> <p><i>Replace subsection (c) with the following:</i></p> <p>(c) Except as otherwise provided in these general terms and conditions of purchase, payment will be made against correct invoices and documents on the payment terms specified in the Purchase Order, subject to adjustments, set-offs, discrepancies and other unresolved issues. In the case of imported Supplies for first-hand sales, Seller must include the respective importation and information in its invoices. If not otherwise specified, payment will be made “2nd Day, 2nd Month”. 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 Supplies provided under the Purchase Order. Payment will be made in Mexican Pesos unless otherwise expressly noted in the Purchase Order. If the Purchase Order identifies a price in U.S. Dollars or specifies that payment will be made in U.S. Dollars, Buyer may pay in Mexican Pesos based on the exchange rate published by the <i>Banco de Mexico</i> in the Mexican Federal Official Gazette on the business day immediately preceding the payment date. The total price of Supplies set forth in the Purchase Order also includes all applicable taxes, excises, duties and other governmental impositions, except for the Value Added Tax (VAT), which must be shown separately on Seller's invoice for each shipment. All payments made by Buyer to Seller will be made along with the applicable VAT. Buyer shall not be liable for any business activity taxes or taxes on or measured by net income, payroll</p>

	<p>taxes or any federal, state, municipal or other taxes on expenditures related directly or indirectly to the importation of Supplies (including but not limited to importation duties, countervailing duties, customs broker fees, VAT on importation, Customs Transmittal Fees and any other similar charges or fees, which shall be paid by Seller.</p>
6.	<p><u>Nonconforming Goods.</u></p> <p><i>Add the following to this section:</i></p> <p>If Seller fails to perform its obligations under this Agreement related to the repair or replacement of nonconforming or defective Supplies, in a manner acceptable to Buyer, Buyer may, without limiting or affecting Buyer's other rights or remedies available hereunder or at law, terminate the Purchase Order and related Material Authorization Releases, if any, without any liability of any kind or cancel the remaining balance of the affected Purchase Order and place such Purchase Order elsewhere at Seller's expense and hold Seller liable for any costs or losses incurred, as well as for any damages.</p>
8.	<p><u>Insolvency of Seller.</u></p> <p><i>Add the following as a second paragraph of this section:</i></p> <p>In the event Seller is involved in voluntary or involuntary bankruptcy proceedings, Seller hereby waives, to the extent allowed by law, any right to object to Buyer's right to take immediate repossession of Buyer's Property as provided in these general terms and conditions of purchase. In addition, Seller agrees that: (a) Seller will fully cooperate with Buyer, promptly upon Buyer's request, to prepare inventory lists describing with detail and accuracy all of the assets, equipment, tooling, fixtures, dies, molds and all other items that are controlled by or in the possession of Seller but are owned by Buyer (or by Buyer's affiliates or subsidiaries) or leased, consigned or otherwise granted to Buyer, and all such items shall be considered Buyer's Property; (b) unless a separate lease agreement is in place, if it has under its possession Buyer's Property, it holds such under a fully revocable free bailment agreement, and Seller will fully cooperate with Buyer in executing a written and formal free bailment agreement and related recognitions of title when so requested by Seller; (c) Seller grants Buyer the right to immediate access Seller's facilities, without the need for a prior notice, cause or need for judicial involvement or declaration, to inspect, repair, replace and/or remove any and/or all of Buyer's Property, and Seller shall, in accordance with Article 335 of the Mexican Commerce Code, at Buyer's request and without need of any cause or judicial resolution, immediately return or transfer possession of any Buyer's Property to Buyer or its designee, otherwise, Buyer will have the right to charge Seller the conventional penalty described in Section 11(f) of these general terms and conditions of purchase, without limiting or waiving any of its rights to exercise any available legal remedies against Seller; (d) Seller shall not include Buyer's Property in its financial statements and will not grant, nor purport to grant, a security interest in Buyer's Property to any person or entity; (e) in case a lien is secured against Buyer's Property by Seller's creditors, Seller shall immediately inform Buyer and take all actions to replace such security by providing its creditors with alternate guaranties and release Buyer's Property; and (f) nothing provided in these general terms and conditions of purchase shall be construed to create or constitute a lease of Buyer's Property to Seller.</p>

9.	<p><u>Termination for Breach & Termination</u></p> <p><i>Add the following to this section:</i></p> <p>Buyer's rights to terminate the Purchase Order under Sections 9, 10 or any other applicable provision of these general terms and conditions of purchase may be exercised by Buyer without the need for judicial involvement or declaration.</p>
11	<p><u>Confidentiality: Buyer's Property.</u></p> <p><i>Replace subsection (f) with the following:</i></p> <p>(f) Seller agrees that Buyer and its affiliates have the right, at any time and from time to time, with or without reason, to request the return of Buyer's Property without payment of any kind. Seller hereby irrevocably grants Buyer or its designee(s) with full power and authority to enter into Seller's premises or other premises where any of the Buyer's Property may be located and recover possession of all or any of such Property and thenceforth hold, possess and enjoy the same free and clear from any liens of any kind. Seller agrees to cooperate with Buyer if Buyer elects to take possession of Buyer's Property. If Seller does not cooperate with Buyer by releasing and delivering any of Buyer's Property in accordance with this Section, or does not grant Buyer or its designee(s) access to its premises or the premises where Buyer's Property are located, Buyer, without limiting or waiving its right to exercise any available legal remedies, will have the right to charge Seller as a conventional penalty, 100% (one hundred percent) of the value of such Buyer's Property, which value will be evidenced to Seller by Buyer and which amount shall be paid to Buyer in a term that shall not exceed 5 (five) working days as of the date in which it is requested by Buyer. 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.</p> <p><i>Add subsection (h) below:</i></p> <p>(h) Seller hereby recognizes that Buyer is providing under the Purchase Order the tools and critical know-how for the manufacture of the Supplies. In light of the foregoing, Seller hereby covenants and agrees with Buyer that from and after the date hereof and during a five (5) year period thereafter, Seller shall not, either directly or indirectly: (i) manufacture, assemble, commercialize and/or distribute the same as or substantially similar products to the Supplies ordered by Buyer to Seller under the Purchase Order; and/or (ii) engage in, or control, advise, manage, invest or receive any economic benefit from, have any financial interest in or exert any influence upon any business, corporation or other person which conducts the same or substantially similar activities to any of the activities of Buyer's business.</p>
16.	<p><u>Information and Data.</u></p> <p><i>Replace subsection (f) with the following:</i></p> <p>(f) Without limiting any other provision of the Purchase Order, Seller hereby grants Buyer an irrevocable, nonexclusive, worldwide, royalty-free, paid-up, license, under the proprietary rights of Seller (including proprietary rights to which Seller has the right to grant licenses, and including, without limitation, any patent, copyright, moral, industrial design right, trademark or other proprietary right) ("Seller Proprietary Rights"): (i) in the event that the Purchase Order is terminated by Buyer under Sections 8 or 9, and/or (ii) in the event that Seller for any reason is unable to satisfy the</p>

	<p>quality, quantity, delivery or related requirements of Buyer for Supplies under the Purchase Order and/or additional orders (including, for example and without limitation, in the event of force majeure/excusable delay, or increased demand due to volume requirements for a corrective field service action/recall or other Remedial Actions, or by reason of Seller's insolvency, or in the event of a required change or expansion in relation to the country(ies) of manufacture or delivery): (A) to make, have made, use, sell, offer to sell, and import the Supplies, (B) to copy, modify, use, distribute, publicly display/perform, prepare derivative works of, reproduce in the case of a mask work, and import or distribute in the case of a semiconductor chip product in which a mask work is embodied, any copyrighted or copyrightable portions of such Seller Proprietary Rights relating in any way to Supplies, and (C) to do all other things and exercise all other rights in the Seller Proprietary Rights necessary or useful to avoid, remedy and mitigate, as Buyer reasonably determines to be appropriate, all or any portion of any consequences to Buyer, and to any direct and indirect customers of Buyer, arising from any situation under subparagraphs (i) or (ii) above. Rights under this Section 16(f) are intended to be subject to 11 USC Section 365(n), as executory agreements under which Buyer has license rights to the Seller Proprietary Rights, and are supplementary to any other rights of Buyer under existing Purchase Orders and other agreements (if any) with Seller.</p>
<p>20.</p>	<p><u>Compliance With Laws.</u></p> <p><i>Add the following as a second paragraph of this Section:</i></p> <p>Seller's employees, contractors and agents must be properly registered with the Mexican Social Security Institute and/or proper work visas. Seller will prepare, file all returns and pay all required Mexican payroll taxes applicable to the services rendered to provide Supplies, including but not limited to payments to the Mexican Social Security Institute (IMSS), Retirement Fund Plan (SAR) and fees for the National Institute for Promotion of Worker Housing (INFONAVIT), as well as any other applicable benefits, taxes or fees, whether federal, state or municipal, required under Mexican laws and regulations related to its personnel. Seller will immediately notify Buyer of any disputes between Seller and its personnel, the Mexican tax authorities, any labor union, federation or labor coalition, which represents Seller's employees, if such disputes or disagreements may result in Seller receiving a strike notice or in having its assets being subject to liens, mortgages, attachments or encumbrances of any nature. Seller's responsibilities for labor matters, labor claims or lawsuits include any obligations derived from the Federal Labor Law, Social Security Law, INFONAVIT Law, Income Tax Law, State and Federal Payroll Tax Laws, Sanitation Laws, Environmental Laws, as well as any other applicable law or regulation in force in Mexico. Seller's obligations will extend to any subcontractor contracted by Seller to perform any or all of the services related to the Supplies and will survive the termination of the Purchase Order. Seller will indemnify and save Buyer harmless from any claims or lawsuits brought against Buyer, including substitute employer and similar claims or lawsuits filed by Seller's personnel, a union or by any government or other entity. Seller is obligated to use, in the rendering of the services relating to the Purchase Order, solely and exclusively those workers and employees that have previously been incorporated into the mandatory Social Security regime paid by Seller. Breach of this provision will subject Seller to the payment of all damages caused to Buyer with Buyer also having the right to immediately terminate the Purchase Order without the need for judicial involvement or declaration.</p>
<p>23.</p>	<p><u>Governing Law; Jurisdiction.</u></p> <p><i>Replace Section 23 with the following:</i></p> <p>The parties expressly submit themselves to the Jurisdiction of the Courts sitting in the City</p>

	<p>of Monterrey, State of Nuevo Leon, Mexico for the interpretation, execution and enforcement of the Purchase Order, expressly waiving to any other jurisdiction that by reason of their present or future domiciles, or because of any other cause, the parties may be entitled to. The Purchase Order shall be governed by the laws of the United Mexican States. If Seller fails to perform any of its obligations, Seller shall pay Buyer all costs and expenses incurred by Buyer, including all attorneys' fees, in enforcing Buyer's rights, whether by formal proceedings or otherwise, in addition to any other remedy available to Buyer. In no event will the provisions of the U.N. Convention on the International Sale of Goods apply to the Purchase Order.</p>
<p>40 (c)</p>	<p><u>Tooling Invoices, Payment for Buyer-Owned Tooling.</u></p> <p><i>Replace subsection (c) with the following:</i></p> <p>(c) To the extent permitted by applicable law, any payments made by Buyer for Buyer-owned tooling are expressly intended by Buyer to be held in deposit 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 express trust for such subcontractor(s) until Seller has paid the subcontractor(s) in full for the Buyer-owned Tooling. 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. Seller acknowledges and agrees that such subcontractor is an intended third party beneficiary of the terms of this Section relating to the express trust and as such, such tooling subcontractor shall have the right to enforce these terms directly against Seller in subcontractor's own name.</p>