

PURCHASE ORDER TERMS AND CONDITIONS

May 25, 2007

- 1. Offer and Acceptance.** This order is an offer by buyer designated on the face hereof or attached writing ("Buyer") to the party to whom this order is addressed ("Supplier") to purchase the products and/or services ("Products") designated on the face hereof or attached writing and it shall be the complete and exclusive agreement between Buyer and Supplier for such Products. Supplier shall accept the offer in writing or by beginning work hereunder. Acceptance is expressly limited to the terms of this offer. Upon acceptance, this order will become a binding contract between Buyer and Supplier (the "Contract"). Any additions or modifications proposed by Supplier are expressly rejected and are not part of the Contract unless in writing signed by an authorized representative of Buyer.
- 2. Pricing and Changes.** All pricing is firm and not subject to change unless otherwise expressly stated in the Contract. Buyer may by notice to Supplier make changes to the drawings, specifications, quantity, delivery or other requirements in the Contract. In such case, time for performance and price shall not change unless Supplier notifies Buyer in writing supported by reasonable documentation that a change in price or time for performance is necessary based on Buyer's change, within ten (10) days of receipt by Supplier of notice of such change. Upon Supplier's notice the parties shall negotiate an equitable adjustment to the time for performance or price. Supplier shall not make any change in the Contract without the prior written approval of Buyer, including, without limitation, the nature, type or quality of any services, raw materials or goods used by Supplier or its suppliers in connection with the Contract.
- 3. Electronic Communication.** Supplier will comply with the method of electronic communication specified by Buyer in Buyer's request for quotation or in the Contract, including requirements for vendor managed inventory, electronic funds transfer, purchase order transmission, electronic signature, and communication. Supplier will also make commercially reasonable efforts to comply with any modification to Buyer's specified method of electronic communication after the date of the Contract.
- 4. Volume Projections and Quantity.** Supplier acknowledges that any estimates, forecasts or projections of future anticipated volume or quantity requirements for Products provided by Buyer are provided for informational purposes only and may change over time. If quantities and delivery schedules are not specified in this Contract, they will be as reasonably determined by Buyer and stated in Buyer's firm releases issued to Supplier from time to time. If Supplier is supplying Buyer under a vendor managed inventory system pursuant to this Contract, Supplier shall maintain Buyer's supply at required levels as indicated through the vendor managed inventory system at all times during the term of this Contract.
- 5. Shipping.** All Products will be shipped in accordance with sound commercial practice and instructions furnished by Buyer. Supplier will comply with Buyer's packaging, labeling, shipping notification and freight requirements. Non-compliance may result in charges to Supplier. Supplier will not charge for costs relating to handling, packaging, storage or transportation (including duties, taxes, fees, etc.) unless otherwise expressly stated in the Contract. Supplier shall bear all risk of loss until Products are delivered.
- 6. Delivery.** Deliveries will be made in the quantities and on the dates specified by Buyer in the Contract or subsequent releases or instructions Buyer issues under the Contract. Unless otherwise stated in the Contract, delivery terms will be FCA Buyer's dock (Incoterms 2000). Time is of the

essence. Supplier shall be responsible for any premium freight required to meet on-time delivery. Buyer will not be required to accept Products that are delivered in advance of the delivery date or in incorrect quantities.

7. **Certification Statement.** Upon delivery of raw material, Supplier shall provide a signed quantitative test report showing raw material conformance to the specifications for each shipment of Products. The certification shall identify, when applicable, the material specification; manufacturer (and vendor if different); lot, batch, heat or serial identity; quantity of material covered; date of shipment and carrier; Buyer's purchase order and material code numbers; and statistical test results obtained. If the certification is accompanying the shipment, the shipping unit containing the document must be clearly marked as such so the certification is readily available to the receiving personnel.

8. **Acceptance.** Acceptance of Products by Buyer is subject to Buyer's inspection after delivery to Buyer's premises, notwithstanding any prior payment. Products rejected by Buyer as non-conforming may be returned to Supplier at the expense of Supplier. Products rejected by Buyer and returned to Supplier shall not be replaced except upon request of Buyer. Buyer retains all remedies to which it is entitled by law for non-conforming Products.

9. **Payment.** Payment terms shall be MNS2 and in accordance therewith, payment shall be made on the 2nd business day of the 2nd month following the date of receipt of Products by Buyer. All invoices and/or advance shipping notices must reference the order number, amendment or release number, Buyer's part number, Supplier's part number where applicable, quantity of pieces in shipment, number of cartons or containers, Supplier's name and contact information, and bill of lading number, before any payment will be made. Unless otherwise expressly stated in the Contract, prices for Products include all applicable federal, state, provincial, and local taxes. Buyer shall have the right of setoff.

10. **Service and Replacement Parts.** Supplier will make Products available to Buyer necessary for Buyer to fulfill all service and replacement parts requirements for the current model year at the then current production prices under the Contract plus the actual net cost differential for required unique packaging, shipping and handling, if any. For the first ten (10) years of past model service after the current model production, Supplier shall make available to Buyer Products required to fulfill service and replacement parts demand for past model years at the prices specified in the last purchase order for such Products plus the actual net cost differential for cost of manufacturing and unique packaging, shipping and handling, if any.

11. **Ownership of Proprietary Materials.** Except as specifically stated in this Contract, neither party transfers to the other party any patent, trade secret, trademark, copyright or other intellectual property right owned by such party ("Intellectual Property Right"). Supplier grants to Buyer a non-exclusive right and license of Supplier's Intellectual Property Rights to: (a) use, sell, and modify Products and incorporate Products into other products for use or sale; and (b) in the case where Buyer is unable to perform or has breached this Contract, to make Products or have Products made by an alternate source for the remaining duration of the Contract or as otherwise mutually agreed to in writing. All works of original authorship, ideas, inventions (whether patentable, patented or not), know-how, processes, compilations of information, and other intellectual property created by Supplier for which the development was paid for by Buyer (collectively, "Proprietary Materials"), and all Intellectual Property Rights in such Proprietary Materials, are owned by Buyer. Supplier agrees that all such Proprietary Materials created by Supplier for which the development was paid for by Buyer are "works made for hire" as that term

is used in connection with the U.S. Copyright Act. Supplier shall ensure that all employees and subcontractors to Supplier shall have written contracts with Supplier consistent these terms.

12. Limited Trademark License. Subject to Supplier's compliance with the terms and conditions of the Contract, Buyer grants to Supplier a non-exclusive, non-transferable, limited license, with no right to sublicense, to reproduce and use those trademarks, service marks, logos, commercial symbols and other indicia of trade origin of Buyer and its affiliates as shall be designated in writing from time to time by Buyer to Supplier (collectively, the "Buyer Marks") solely for the manufacture and sale of Products to Buyer. Supplier may not use the Buyer Marks in any manner not expressly authorized in the Contract. Supplier's reproduction and use of the Buyer Marks, and all goodwill established and/or symbolized thereby, will inure exclusively to the benefit of Buyer and its affiliates, as applicable, and the Contract does not confer any goodwill or other interests in the Buyer Marks upon Supplier. Supplier shall not challenge or contest the validity of the Buyer Marks, any registration of the Buyer Marks with the U.S. Patent and Trademark Office or with any foreign government or the ownership of the Buyer Marks by Buyer or its affiliates. Supplier shall not represent that it has any ownership interest in the Buyer Marks or registrations therefor. At such time as Supplier is no longer supplying Products to Buyer, or earlier upon Buyer's request, Supplier shall immediately and entirely discontinue all use of Buyer Marks and Supplier shall have no rights whatsoever in regard to the Buyer Marks. The obligations of Supplier under this Section shall survive any termination of the Contract.

13. Warranties. In addition to any warranties otherwise set forth in the Contract, Supplier expressly warrants that all Products will conform to any agreed upon specifications, drawings, samples or descriptions, and all applicable laws, regulations and other governmental requirements in force in countries where Products or products equipped with such Products are to be installed or sold, and will be merchantable, of good material and workmanship and free from defects. The warranties under this Section will be effective for the longer of: (a) the period provided by applicable law where the Products are used; or (b) the warranty period provided by Buyer to its customers. Supplier shall repair any defects during the applicable warranty period at Supplier's cost and expense (including, without limitation, for all parts, labor and transportation costs) immediately after being notified of any such defect by Buyer. In carrying out any services the Supplier will ensure that the best technical practices, skills, procedures, care and judgment will be employed. The warranties and remedies contained herein supplement the warranties and remedies provided by the Uniform Commercial Code or other applicable law which shall not be disclaimed or limited. All warranties contained in this Contract shall run, and all remedies shall be available to, Buyer, its affiliates, and their customers and all such warranties shall survive any delivery, inspection, acceptance, or payment by Buyer.

14. Indemnification. To the full extent permitted by law, Supplier hereby agrees to indemnify, defend and hold harmless Buyer, its affiliates, partners, directors, officers, employees and agents, from and against any and all actions, claims, demands, judgments, losses, costs, liabilities, damages, expenses and/or fees (including reasonable attorneys' fees) of whatever kind ("Claims") that are incurred by or asserted against Buyer related to or arising from any: (a) actual or alleged infringement of any patent, trademark, copyright, trade secret, industrial design right, or other proprietary right, by reason of the manufacture, use or sale of the Products, except to the extent the infringement results directly from a design furnished by Buyer; (b) defect or alleged defect in any Products; (c) noncompliance or alleged noncompliance by Supplier of its representations, warranties, or obligations under the Contract; or (d) negligence or fault or alleged negligence or fault of Supplier in connection with the design or manufacture of Products. Supplier shall not make any admissions on behalf of Buyer or enter into a settlement without Buyer's prior written consent. The indemnification obligations of Supplier under this Section are not in lieu of and shall

not in any way impair or exclude Buyer's rights or remedies under law, and such rights shall be cumulative.

15. Compliance with Law. Supplier will comply with all federal, state, provincial, local and foreign laws, orders, rules, regulations and ordinances, including import and export laws and regulations, that may be applicable to Supplier's performance of its obligations under the Contract. Supplier shall provide Buyer with material safety data sheets for Products and all other information required to comply with applicable laws. For programs involving the supply of goods or services to the US Government, Supplier shall accept the flow-down of applicable Federal Acquisition Regulations and shall maintain the capability to meet all of the requirements of such regulations including, without limitation, requirements as to cost and pricing data, truth in negotiation and procurement integrity.

16. Insurance Requirement. In addition to any specific insurance requirements as may be specified in the Contract, throughout the term of the Contract and the warranty period of any Products, Supplier shall obtain and maintain, at its sole expense: (a) general liability insurance with coverage limits reasonably acceptable to Buyer and naming Buyer as an additional insured; (b) all risk property perils insurance covering the full replacement value of Buyer's Property (as defined below) while in Supplier's care, custody, or control and naming Buyer as loss payee; and (c) worker's compensation insurance as required by applicable law. Insurance coverage amounts shall in no case be less than as standard in the industry, and shall be with carriers with at least an A.M. Best rating of "A" excellent, and a financial size rating of at least Class V. Supplier shall furnish to Buyer certificates of insurance setting forth the amount of coverage, policy number and date(s) of expiration. Supplier shall provide at least sixty (60) days' prior written notice to Buyer of cancellation or material alteration of insurance.

17. Confidentiality. In connection with the Contract, Supplier may have access to Buyer's confidential information, including, without limitation inventions, developments, know how, specifications, business plans, results of testing, systems, financial information, product information, methods of operation, customer information, supplier information and compilations of data ("Confidential Information"). Supplier shall use Buyer's Confidential Information only for the purposes contemplated under this Contract and shall not disclose it to third parties or otherwise use it to its own advantage or Buyer's detriment. Confidential Information shall not include information which: (a) is or becomes publicly available without breach of this Agreement by Supplier; (b) was known to Supplier prior to its receipt from Buyer as evidenced in writing; or (c) is developed by Supplier independently of its access to Confidential Information. Supplier is permitted to disclose Buyer's Confidential Information to its employees and authorized subcontractors on a need to know basis only, provided that such employees and authorized subcontractors have written confidentiality obligations to Supplier no less stringent than the confidentiality obligations under this Section. Upon termination of the Contract, Supplier shall return Buyer's Confidential Information and shall not use Buyer's Confidential Information for its own, or any third party's, benefit. Supplier's confidentiality obligations shall survive termination of the Contract for so long as Buyer's Confidential Information remains confidential. In order to assure that Buyer is able to obtain the full benefit of the restrictions set forth in this Section, Buyer shall be entitled to injunctive relief, including, but not limited to, emergency, preliminary, temporary and permanent injunctions, from any court of competent jurisdiction as may be necessary to enjoin any violation of the foregoing covenants, without the necessity of proving immediate irreparable harm or an inadequate remedy at law. If the parties have already entered into a Confidentiality or Non-Disclosure Agreement ("NDA"), the terms and conditions of the NDA shall apply and control for confidentiality obligations between the parties in lieu of this section.

18. Bailed Property.

(a) All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, castings, cavity die patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Supplier in connection with Supplier's performance of its obligation under the Contract, or for which Supplier has been paid or reimbursed by Buyer, with all related repairs, improvements, appurtenances, accessions and accessories, and all documents, standards or specifications, trade secrets, proprietary information, Proprietary Materials and all Intellectual Property Rights in such Proprietary Materials (collectively, "Buyer's Property") shall be and remain the property of Buyer (or the owner as designated by Buyer). Supplier shall bear the risk of loss of and damage to Buyer's Property. Buyer's Property shall at all times be properly housed, maintained, repaired and replaced by Supplier at Supplier's expense in good working condition capable of producing Products meeting all applicable specifications. Buyer's Property shall not be used by Supplier for any purpose other than the performance of this Contract, shall be conspicuously marked "Property of [insert name of Buyer]" by Supplier, shall not be commingled with the property of Supplier or with that of any third party, and shall not be moved from Supplier's premises without Buyer's prior written approval. Supplier will indemnify and defend Buyer against claims or liens adverse to Buyer's or its customer's ownership of Buyer's Property.

(b) Buyer will have the right to enter Supplier's premises to inspect Buyer's Property and Supplier's records regarding Buyer's Property. Supplier acknowledges that neither Supplier nor any other person or entity other than Buyer (or its affiliates or customer if applicable), has any right, title or interest in Buyer's Property except, subject to Buyer's sole discretion, Supplier's rights to utilize Buyer's Property in the manufacture of Products under the Contract. Effective immediately, without further notice or legal action, Buyer, or its designee, has the right to enter the premises of Supplier and take possession of all of Buyer's Property without payment of any kind. Supplier agrees to cooperate with Buyer if Buyer elects to take possession of Buyer's Property. Supplier 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. Supplier grants to Buyer a limited and irrevocable power of attorney, coupled with an interest, to execute and record on Supplier's behalf any notice or financing statements with respect to Buyer's Property that Buyer determines are reasonably necessary to reflect Buyer's interest in Buyer's Property. At Buyer's request, Buyer's Property will be immediately released to Buyer or delivered by Supplier to Buyer either: (i) FCA Supplier's plant, properly packed and marked in accordance with the requirements of Buyer's selected carrier; or (ii) to any location designated by Buyer, in which event Buyer shall pay Supplier the reasonable costs of delivery. Supplier waives, to the full extent permitted by law, any lien (whether mechanics, moldbuilder, molder, special tool builder, UCC or otherwise) or other rights that Supplier might otherwise have on any of Buyer's Property.

(c) Supplier acknowledges that the unauthorized possession of Buyer's Property by Supplier would cause irreparable harm to Buyer, Buyer's customer, and others. Therefore, Supplier recognizes the right and need of Buyer to obtain immediate relief in the nature of a replevin or claim and delivery action. Accordingly, provided that Supplier receives at least twenty-four (24) hours notice of any request for hearings in connection with proceedings instituted by Buyer, Supplier waives, to the fullest extent possible under applicable law, the right to notice in excess of twenty-four (24) hours in connection with any judicial proceedings instituted by Buyer. Further, Supplier hereby waives any requirement for Buyer to post a bond in a replevin action. Supplier shall pay all costs incurred by Buyer, including, but not limited to, reasonable attorney fees, the cost of the bond and sheriff and other court officers' fees in connection with the recovery of Buyer's Property through legal process.

19. Termination for Cause. Either party may upon written notice to the other party terminate all or any part of the Contract without further liability, if the other party: (a) is in Default of the Contract, however, if the Default can be cured then only if such Default is not cured within fifteen (15) days of receipt of written notice of the Default from the non-defaulting party; or (b) has committed a material breach of the Contract. Either party shall be in "Default" under the Contract if it fails to perform any obligation under the Contract, breaches any representation or warranty under the Contract, or fails to provide adequate assurance of performance under the Contract within a reasonable time after written and justifiable demand by the other party.

20. Termination for Convenience. Buyer may terminate the Contract upon ten (10) days advance written notice to Supplier. Upon such notice, Supplier shall not make new commitments for any additional raw materials, inventory or services related to the Products under the Contract without the prior written approval of Buyer. Buyer shall pay Supplier for raw materials unique to the Products, work-in-process and finished goods in inventory for the Products authorized under a firm release from Buyer that are useable and in a merchantable condition ("Inventory") remaining in Supplier's possession on the termination date, after receipt of payment for such Inventory from Buyer's customer and delivery of such Inventory to Buyer. The purchase price for the Inventory, which shall be Supplier's sole and exclusive recovery from Buyer on account of termination for convenience, will be (a) the contract price for all Products that have been completed in accordance with this Contract as of the termination date not previously paid for, plus (b) the actual documented costs of work in process and raw materials incurred by Supplier in furnishing the Products to the extent such costs are reasonable in amount and are properly apportionable under generally accepted accounting principles to the terminated portion of the Contract, less (c) the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Supplier with Buyer's written consent. If Buyer's customer is unreasonably delayed in making payment for Inventory, Buyer shall negotiate with Supplier a good faith settlement. In no event will Buyer be required to pay for Inventory that Supplier fabricates or procures in amounts that exceed amounts authorized in Buyer's firm delivery releases nor will Buyer be required to pay for any goods or materials that are in Supplier's standard stock or that are readily marketable. Buyer shall not be liable for any special, punitive, indirect, incidental, or consequential damages, including, without limitation, lost profits, loss of revenue, or cost of capital. Payments made under this Section will not exceed the aggregate price for finished goods that would be produced by Supplier under firm delivery releases outstanding on the date of termination. Within sixty (60) days after the effective date of termination, Supplier shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit an audit by Buyer, and will thereafter promptly furnish any supplemental and supporting information Buyer reasonably requests.

21. Actions on Termination. Upon termination of the Contract, Supplier shall: (a) take actions reasonably necessary to protect property in Supplier's possession in which Buyer has an interest until disposal instruction from Buyer has been received; and (b) return Buyer's Confidential Information to Buyer.

22. Force Majeure. Neither party shall be liable to the other party for delay in a scheduled delivery or a failure in performance caused by acts beyond such party's reasonable control without fault or negligence of such party, such as, without limitation, flood, war, embargo, acts of terrorism, riot, or the intervention of any government authority ("Event of Force Majeure"), provided such party presents a claim and notice in writing to the other party within twenty-four (24) hours of such party becoming aware that an event of Force Majeure may delay or interrupt performance hereunder. If Supplier is unable to perform for any reason, Buyer may purchase Products from other sources and reduce its purchases from Supplier accordingly without liability

to Supplier. Except as otherwise stated herein, Events of Force Majeure occurring under this Contract shall be governed in accordance with the laws of the State of Michigan.

23. Inspection and Audit Rights. Supplier agrees to deliver to Buyer samples of the Products upon request for testing. Buyer shall have the right to inspect and audit Supplier's books, records, operations and facilities related to this Contract, including Supplier's quality system, to insure Supplier's compliance with the terms of the Contract and Buyer and Buyer's customer standards. Supplier shall maintain all records necessary to support amounts charged to Buyer under the Contract. Supplier shall provide Buyer with reasonable access to its facilities and otherwise cooperate and facilitate any such inspections and/or audits by Buyer.

24. Contract Work. Buyer and Supplier are independent contractors, and nothing in the Contract makes either party the agent or legal representative of the other party for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party. Supplier assumes full responsibility and exclusive liability for the payment of all contributions, unemployment obligations, payroll taxes, federal, state, provincial, local and foreign, if applicable, as to all employees engaged in the performance of the Suppliers work subject to the Contract.

25. Governing Law, Jurisdiction and Venue. The Contract shall be governed by and construed in accordance with the laws of the State of Michigan without reference to the choice of law principles thereof. The Convention on Contracts for the International Sale of Goods is expressly excluded. Subject to the provisions of Dispute Resolution below, each party irrevocably submits to the jurisdiction of the Courts of the State of Michigan and the United States District Court for the Eastern District of Michigan and hereby waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

26. Dispute Resolution. Except for disputes relating to or arising out of, in whole or in part, any breach of confidentiality hereunder or for the misuse or infringement of Buyer's Intellectual Property Rights, in the event of a dispute or disagreement between Supplier and Buyer arising out of or relating to the Contract (a "Dispute"), such Dispute, upon the written request of Supplier or Buyer, shall be referred to the chief financial officers of each party or their respective designees. The chief financial officers or their respective designees shall promptly meet in good faith to resolve the Dispute and if they do not agree upon a resolution within thirty (30) calendar days after the reference of the Dispute to them, then such Dispute, upon written notice from one party to the other of its intent to arbitrate (an "Arbitration Notice"), shall be submitted to and settled exclusively by final and binding arbitration in lieu of any judicial proceeding; provided, however, that nothing contained in this Section shall preclude any party from seeking or obtaining from a court of competent jurisdiction (a) injunctive relief, or (b) equitable or other judicial relief to specifically enforce the provisions of the Contract or to preserve the status quo prior to the event(s) leading to the Dispute. Arbitration shall be conducted by the American Arbitration Association in Southfield, Michigan before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association existing at the date of submission of the Dispute to arbitration. Any arbitration award shall be binding and enforceable against Supplier and Buyer and judgment may be entered thereon in any court of competent jurisdiction. For purposes of clarification, any Dispute relating to or arising out of, in whole or in part, any breach of Supplier's obligations of confidentiality hereunder or for the misuse or infringement of Buyer's Intellectual Property Rights shall not be subject to binding arbitration under this Contract.

27. Assignment, Waiver, Entire Agreement, Severability. Supplier may not assign or delegate any of its rights or obligations under the Contract without prior written consent from Buyer. If Buyer consents to Supplier's subcontracting of any of Supplier's duties under the Contract, Supplier will ensure that the subcontractor agrees to be bound by all of the terms and conditions of the Contract. Buyer may terminate the Contract upon written notice to Supplier, without any further liability to Supplier, if there is a change of control of Supplier. The failure of either party to enforce any right or remedy provided in the Contract or by law on a particular occasion will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy. The Contract constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of the Contract. Except as authorized in Section 2, neither this Contract nor any of its provisions may not be modified, amended or waived, whether orally, through the parties' course of performance, course of dealing or course of conduct, or manifested in any other way, unless in writing and signed by authorized representatives of both parties. It is the express intention of the parties that such requirement for written modifications, amendments or waivers be strictly enforced, notwithstanding judicial precedent or statutory provisions to the contrary. Any provision found invalid or unenforceable will not affect the validity or enforceability of any other provision and the invalid provision may be judicially modified to the extent enforceable.