

**THIS ORDER IS SUBJECT TO THE FOLLOWING TERMS:
(AS OF 10-01-01)**

1. **ACCEPTANCE:** This order is Buyer's offer to purchase the goods or services (the "Products") described in this order. Acceptance of this offer is limited to its terms. This order consists only of the terms contained herein and in any documents or specifications expressly incorporated by reference. It does not constitute an acceptance by Buyer of the terms contained in any quotation, proposal or order confirmation furnished by Seller.

This order must be accepted in writing by Seller. If Seller does not accept this order in writing, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter of this order shall constitute acceptance by Seller of this order and all of its terms and conditions. Buyer objects to any terms proposed by Seller in accepting this offer which are in addition to or different from those contained in this offer.

2. **BLANKET ORDERS:** If this order is identified as a "blanket order," Buyer shall issue a "Vendor Release and Shipping Schedule" to Seller for specific part revisions, quantities and delivery dates for Products. Buyer shall have the right to cancel, adjust or reschedule the quantities of Products shown in such "Vendor Release and Shipping Schedule," except that it may not cancel, adjust or reschedule the Products shown as "Firm Obligations" on such "Vendor Release and Shipping Schedule."
3. **WARRANTY:** Seller warrants that it has good title to the Products, free and clear of all liens and security interests. Seller warrants that Products will conform to any drawings or specifications furnished by Buyer as part of this Order. If Buyer has not furnished any such drawings or specifications, then Seller warrants that Products will be fit and sufficient for the purpose intended. Seller also warrants that all Products supplied will be merchantable, of good material and workmanship, free from defect, and in compliance with all applicable statutes, regulations and standards. These warranties shall survive inspection, test, acceptance of, and payment for the Products and shall run to Buyer and its end users and customers. Buyer shall have all legally available remedies for breach of warranty. In addition to its other remedies, Buyer may either return for credit or refund or require prompt correction or replacement of the defective or nonconforming Product or part thereof.
4. **QUALITY ASSURANCE:** Seller shall qualify as an acceptable vendor in compliance with the requirements of current revision of Buyer's supplier quality systems requirements RA-4901-797 within a reasonable time after seller accepts Buyer's initial order for Products. Seller shall also supply initial samples and documentation per the Production Part Approval Process (PPAP) for Buyer's approval prior to the commencement of production runs by Seller. If Seller does

not supply reports as required, Buyer may either reject the samples or inspect and test the samples itself and invoice Seller for such work at the rate of \$100.00 USD per hour. After its initial qualification, Seller shall maintain its status as an acceptable vendor under Buyer's supplier quality system requirements.

5. **PRICES:** The prices shown in this order shall be firm unless Buyer has expressly agreed to adjust the prices shown during the performance of this order. The prices shown include all charges by Seller for packing, reusable containers, and transportation to the point of delivery. The prices shown also include all applicable federal, state and local taxes except taxes which Seller is required by law to collect from Buyer. Seller shall show taxes which it is required by law to collect from Buyer separately on its invoices and shall not invoice any tax for which Buyer has furnished a valid exemption certificate. Seller represents that its prices charged for Products under this Order are at least as low as the prices charged by Seller to buyers of the same kind as Buyer under conditions substantially similar to those specified in this order.
6. **SHIPPING AND DELIVERY:** Seller will comply with Buyer's "ship to" and "bill to" instructions as shown in this order or in the applicable "Vendor Release and Shipping Schedule." Seller will route its shipments in accordance with instructions of Buyer or its shipping agent. Title to and risk of loss of the Products shall pass to Buyer upon delivery of the Products in accordance with the Shipping Terms. Seller understands that Buyer establishes its manufacturing schedules in reliance on Seller's timely performance of this order and that time is of the essence in Seller's performance. Seller agrees to show the engineering revision level of the Products shipped on all shipping documents.
7. **INSPECTION:** Buyer or Buyer's customer shall have the right to review any designs, drawings or specifications prepared by Seller under this order and to inspect and test Products at Seller's premises prior to delivery to Buyer. Buyer shall make such inspections and tests so as not to delay the work unduly. Buyer shall also have the right to inspect Products at Buyer's plant within a reasonable time after delivery. Any review, inspection or test by Buyer under this section shall not relieve or excuse Seller from its obligations under this order.
8. **CHANGES:** By giving written notice to Seller, Buyer may modify at any time the specifications, designs or drawings, samples or other description to which the Products are to conform, the methods of shipment and packaging Products, or the place of delivery. If such modification affects the cost of, or the time required for, the performance of any part of the work under this order, and if Seller makes a written claim for adjustment within thirty (30) days after receipt of the written notice of modifications, then Buyer shall make an equitable adjustment to the terms of this order within a reasonable time. Only modifications for which a Buyer submits a written notice to Seller shall become part of this order.

9. INFORMATION: If Buyer supplies drawings, data, design, inventions, computer software or other technical information to Seller to facilitate the performance of this order, then such information shall remain Buyer's property and Seller shall hold it in confidence. Seller shall not reproduce, use or disclose such information to others for any purposes other than the performance of this order without Buyer's prior written consent. Such information shall be returned to Buyer upon completion by Seller of its obligations under this order or upon demand, along with all copies Seller has made and all other documents in which such information has been incorporated.

Unless Buyer has entered into a separate written non-disclosure agreement with Seller, any information which Seller may disclose to Buyer with respect to the design, manufacture, sale or use of the Products covered by this order shall be deemed to have been disclosed as part of the consideration for order, and Buyer shall be free to use such information.

10. BUYER'S PROPERTY: All property used by Seller in connection with this order which Buyer owns and delivers to Seller, or pays Seller for, including, but not limited to, tools, dies, jigs, molds, patterns, fixtures and equipment and any replacement thereof, shall be and remain the property of Buyer. Buyer may remove or inspect such property at any time and Buyer shall have free access to Seller's premises for such purposes. All property owned by buyer shall be marked as Buyer's property and used only for performing Buyer's orders. Seller shall maintain and repair such property and return it to Buyer in its original condition, reasonable wear and tear excepted, at the request of the Buyer.
11. PATENT INDEMNITY: Seller shall indemnify Buyer, its successors, assigns, agents, customers and users of the Products against loss, damage, or liability, including costs and expenses, including attorneys' fees, which may be incurred on account of any suit, claim, judgment or demand involving infringement or alleged infringement of any patent, copyright, industrial design, right or other intellectual property rights in the manufacture, use or disposition of the Products supplied under this order, if the Products delivered under this order are produced to a specification or design other than one provided by Buyer. It shall be a condition of this indemnity that Buyer shall notify Seller of any suit, claim or demand against it and shall permit Seller to defend or settle such suit, claim, judgment or demand.
12. RELEASE OF INFORMATION AND ADVERTISING: Seller and Buyer agree that this order is confidential business information. Neither of them, without the prior written consent of the other, shall make any news release or public announcement of this order or advertise or publish the fact that Buyer has placed this order with Seller.
13. ASSIGNMENT: Seller may assign this order or any of Seller's rights or duties under this order, or subcontract the performance of any of its duties under this

order, only with Buyer's prior written consent. The terms and conditions of this order shall bind any permitted successors and assigns of Seller.

14. **EXCUSABLE DELAYS:** Neither Seller nor Buyer shall be liable for damages for delay in or prevention of its performance of this order arising out of causes beyond its reasonable control including, but not limited to, acts of God or of the public enemy, acts of any Government in either its sovereign or contractual capacity, fires, floods, strikes or other labor disputes, or freight embargoes. It shall be a condition of excuse under this section that the party seeking excuse notify the other party in writing within ten (10) days after the beginning of any cause which may excuse performance under this section. If all or any material portion of Seller's performance under this order is excused under this section for a period exceeding ninety (90) days, Buyer shall have the right to terminate this order without further liability to Seller.
15. **TERMINATION RIGHTS:** Buyer may terminate the performance of work under this order (or any part thereof) at any time without cause upon written notice of termination to Seller. Upon receipt of such notice, Seller shall, unless the notice directs otherwise, immediately discontinue work under this order. Within thirty (30) days after receipt of the written notice of termination, Seller shall submit any claim for its expenses resulting from the termination and Buyer shall promptly make a reasonable settlement of the claim.

Buyer may terminate the performance of work under this order (or any part thereof) for cause upon written notice of termination to Seller if (a) Seller fails to cure any material failure to perform, discharge or fulfill its obligations under this order to the reasonable satisfaction of Buyer within ten (10) days after receipt of a written notice from Buyer that Buyer considers Seller to be in default under this order; or (b) Seller, without the prior written consent of Buyer, assigns or transfers all or part of its rights and obligations under this order to another person, either voluntarily or by operation of law; or (c) Buyer has reasonable grounds for insecurity about Seller's ability to continue to perform this order satisfactorily, including Seller's ability to maintain acceptable quality standards and delivery schedules, or a satisfactory financial condition.

16. **HAZARDOUS MATERIALS:** Seller shall notify Buyer of all "hazardous materials" (as that term is defined in applicable federal, state and local statutes) which are contained in the Products. Seller shall furnish Buyer with copies of all applicable "Material Safety Data Sheets" for Products no later than the initial shipment date under this order. Seller shall also comply with all laws, orders and regulations pertaining to the use, storage and disposal of restricted, toxic and hazardous materials.
17. **RECALL CAMPAIGNS:** Seller shall indemnify and hold Buyer harmless against all loss, liability, cost or expense incurred by Buyer is Buyer recalls from Buyer's customers or others any Products furnished hereunder or an end product

employing any such Products as a part or component thereof or repairs, replaces or refunds the purchase price of such Products or end product. This indemnity shall apply only if the recall, repair, replacement or refund (a) is required pursuant to applicable statutes, laws, or regulations or (b) in Buyer's reasonable commercial judgment is necessary to preserve Buyer's commercial reputation as a supplier of reliable, high quality products.

If Seller's product is not the sole cause of such action by Buyer, then Buyer shall apportion its costs, damages and expenses as it shall determine is reasonable and equitable.

Buyer shall use reasonable efforts to inform Seller promptly after Buyer learns of facts which may require a recall, or repair, replacement or refund pursuant to this section. Buyer shall have the right, without the consent of Seller, to report to any administrative or regulatory body any information which Buyer obtains indicating that the Products furnished by Seller either fail to conform to any standard required by law, or constitute or create of themselves or within the end product of which they are a part or component a situation requiring recall or notice as defined by the applicable law.

Seller shall prepare, maintain and file with the appropriate agency those records and reports relating to the manufacture, sale, use and characteristics of the Products furnished to Buyer under this order which may be required by any federal, state or local law or regulation concerning the manufacture, sale or use of the Products or the end products of which the Products may be a part or component. Seller shall provide Buyer with copies of such records at Buyer's request and shall give Buyer access to Seller's records that allow Buyer to confirm Seller's compliance with this section.

18. **GOVERNING LAW:** This order shall be governed by the law of the state of Michigan, including the Uniform Commercial Code, but excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods, and excluding Michigan law with respect to conflicts of law.
19. **EXPORT, TRADE CREDITS, OFFSET & COUNTER TRADE CREDITS:** To the extent permitted by law or Treaty, Seller shall assign to Buyer all such credits which arise from this Order with the right to reassign such credits as determined by Buyer.
20. **CUSTOMS DOCUMENTATION:** Seller shall provide Buyer all necessary information and documentation in the possession or control of Seller relating to the Products supplied under this purchase order and required to comply with applicable customs, product marking, country of origin, and other laws.

Seller shall hold Buyer harmless for any and all increased costs or customs duties or other penalties or damages incurred by Buyer as a result of deficient or

erroneous documentation supplied by Seller for purposes of establishing the status of Products supplied under this purchase order under the North American Free Trade Agreement and its implementing laws and regulations.

ArvinMeritor, Inc. and its subsidiaries and affiliates shall be entitled to, and Seller hereby assigns to ArvinMeritor, Inc., all duty and import drawback rights of Seller related to the Product. These rights include, without limitation, those rights developed by successorship and rights which may be acquired by Seller from its suppliers.

Seller agrees to inform ArvinMeritor, Inc. of the existence of any such rights and upon request will supply such documents as may be required to obtain or assign such drawback rights.

21. GOVERNMENT CONTRACTS: If this order contains a "Contract Number" on the face hereof, the following Federal Acquisition Regulations (FAR) clause is incorporated herein by reference, except the "Contractor" means Seller, "Subcontractor" means Seller's Subcontractor, and "Contract" means this Order: SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (APRIL 1998) – FAR 52.244.6.

22. ENTIRE AGREEMENT: This order, including all documents incorporated by reference, contains the entire agreement between Buyer and Seller with regard to the purchase and sale of the Products sold under this order. This order supersedes any prior agreements or discussions (whether written or oral) between Buyer and Seller about his order. No amendment or modification to this order (other than a written notice of change issued by Buyer under Section 8) shall be valid unless made in writing and signed by a duly authorized representative of each of Buyer and Seller.

Seller and Buyer may use electronic means, including computer-based telecommunications systems, to transmit this order, Seller's acknowledgment of this order, Buyer's "Vendor Release and Shipping Schedule", or other correspondence or information relating to the placing of this order or its performance. The terms and conditions contained in this order shall supersede any terms and conditions contained in any such electronic transmission.