

**BENDIX SPICER FOUNDATION BRAKE LLC
GENERAL PURCHASE ORDER TERMS AND CONDITIONS**

1. **Commitment, Acceptance:** For the goods herein identified, Buyer will buy only the quantities specified herein, if any, or as Buyer releases for shipment on specific shipping dates as set forth in Buyer's releases provided to Seller or as posted on Buyer's Internet Web-Based scheduling system to which Buyer provides access to Seller. No less than once per week, Seller shall review Buyer's Internet Web-Based scheduling system to determine Buyer's volume needs and delivery dates ("Current Volume Needs"). The Current Volume Needs shall be the effective quantity requirements for Buyer's current purchase order ("Order") and shall be deemed accepted by Seller, unless immediately rejected in writing by Seller to Buyer. If Seller only provides services under any order ("Service Order"), Seller is not required to review Current Volume Needs. Acceptance of this Order or Service Order shall be expressly limited to the terms and conditions contained herein, and this Order or Service Order shall be deemed accepted upon the commencement of performance by Seller. Buyer rejects any additional or inconsistent terms and conditions offered by Seller, including Seller's invoice, at any time and irrespective of Buyer's acceptance of or payment for Seller's items or services. Time is of the essence as to Seller's performance of services or delivery of goods hereunder.

2. **Releases, Shipment:** Seller will ship all goods both in quantities and at the times specified for delivery to and arrival on the applicable due date at the location designated on the face hereof or in Buyer's written instructions or on Buyer's Internet Web-Based scheduling system. Buyer shall perform all services within the time frame as specified by Buyer within any Service Order. Buyer will have no liability with respect to any goods for which no shipping release or schedule has been given. Buyer may change both the quantities of, and delivery times for, goods previously scheduled for delivery hereunder, including temporary suspensions and postponements, by written notice to Seller at any time prior to shipment. If Seller fails or is unable to deliver any goods at the time herein specified, then unless such failure is due to a cause beyond Seller's reasonable control and without Seller's fault or negligence, Buyer will direct Seller to deliver such goods by the most expeditious method of transport, including air freight, and Seller will pay or reimburse to Buyer the full cost of such expeditious method of transport.

3. **Production Approval, Service Parts:** For the production of the goods herein identified, Seller shall be in compliance with the quality standards required by Buyer from time to time, such as TS16949, QS-9000 or ISO-9000 standards, as set forth in the then current version of the Buyer's Supplier Business Manual, which is incorporated herein by reference. Prior to beginning the fabrication of any goods under this Order (except sample parts), Seller must comply with Buyer's production part approval process ("PPAP") requirements, including submission at the level as required by Buyer to the specified Cpk value, in accordance with Buyer's DPP 6.2.2.53 procedure, and obtain Buyer's written confirmation of compliance with such requirements. Seller, at its own expense, will fabricate from production tooling and furnish to Buyer the number of sample parts which Buyer specifies. Seller will inspect such samples before delivery to Buyer and certify its inspection results in accordance with Buyer's PPAP requirements. For a period of ten (10) years after the expiration or termination of this Order, Seller will make and sell to Buyer the goods herein specified and parts thereof for service and replacement purposes.

4. **Receipt, Inspection:** Buyer will have the right to inspect and test all goods delivered to the designated plant or other location under any Order. Buyer may accept and retain, reject and/or revoke acceptance of any or all goods, as Buyer elects, which are delivered at the designated location (1) in a quantity which is either less or more than the authorized quantity, (2) either before or after the authorized time, or (3) in a condition or manner that fails to conform to any requirement of this Order. Seller will pay to Buyer all handling, sorting, packing, transportation and other expenses which Buyer incurs in connection with any goods returned pursuant to this paragraph 4 and, if Buyer elects to retain any goods not conforming to any requirement of this Order, the cost of correcting the non-conforming condition.

For purposes of this paragraph 4, transportation costs in connection with goods returned to Seller will include the cost to transport to both the designated location and back to Seller's plant.

5. **Changes:** Buyer may direct Seller to make changes of any kind by written notice to Seller, including changes in (1) drawings, designs, and specifications, (2) physical composition and structure, (3) methods of packing and shipment, (4) quantities to be delivered, (5) time and place for delivery, and (6) performance of services. Buyer, at its sole discretion, may make an equitable adjustment in the purchase price, delivery schedule, and any other provision of this Order or Service Order that may be required for such changes. Seller will not make any change in the design, physical composition or structure of the goods, any specifications applicable to the goods, or any process used to manufacture the goods or perform services, including any component thereof, without Buyer's prior written approval.

6. **Packing, Marking, Shipping:** Seller will properly pack, mark, route and ship all goods and containers thereof in accordance with Buyer's packaging and barcode specifications (BW5347 and BW5348). Seller will reimburse to Buyer all expenses which Buyer incurs as a result of improper packing, routing or shipping. Seller will make no charge for containers, crating, boxing, handling, damage or storage without Buyer's prior written authorization unless otherwise specifically provided in this Order.

7. **Pricing, Taxes:** The price for goods and services will be the amount shown on the face hereof and includes all charges related to preparation for and actual fabrication and delivery of the goods or performance of services, except as otherwise expressly set forth herein or agreed in writing by Buyer, and any taxes or duties imposed on Seller and required by law to be paid by Seller. All prices set forth herein are not subject to increase unless Buyer first approves in writing any such written request for increase from Seller that Seller provides to Buyer at least ninety (90) days prior to the date of such anticipated increase along with supporting justification and rationale, including evidence of actions taken by Seller to avoid such price increase. The price herein specified for the goods and services will not exceed the price that Seller offers or has agreed, on the date of shipment or performance hereunder, to sell the same or like goods or services to another similarly-situated purchaser on terms and conditions substantially similar to those set forth herein.

8. **Invoices, Payment:** Seller will provide to Buyer at the location shown on the face of this Order or Service Order an invoice for each separate shipment of goods or performance of services. Each invoice will include all information required by other provisions of this Order, including applicable part number and purchase order number. Notwithstanding the foregoing, Orders or Service Orders utilizing Buyer's Evaluated Receipts System ("ERS") do not require Seller's physical invoice, and Buyer's receipt of the goods or services under ERS will trigger payment process pursuant to established payment terms between the parties. Buyer will pay to Seller the purchase price of goods and other charges shown in the applicable invoice in full within the time for payment shown on the face hereof. Seller will not submit an invoice for goods before delivery at the designated location. If Buyer disputes the amount of any invoice, Buyer may deduct the amount in dispute, and additionally, Buyer may deduct from and set off against any amount due or to become due to Seller hereunder any amount which Seller owes to Buyer under this Order, Service Order or otherwise.

9. **Bailed Property, Tooling:** Buyer will be and remain the exclusive owner of any personal property, however denominated, whether or not attached or otherwise affixed to any real property, which Buyer provides to Seller in connection with this Order or the cost of which Buyer has paid to Seller. All Tooling, either furnished or specifically paid for by Buyer for use in the manufacture of Products, shall remain wholly the property of Buyer. Such Tooling shall be properly marked by Seller as "Property of Bendix Spicer Foundation Brake LLC" and shall have an Asset Number assigned by Buyer. Seller shall sign any forms reasonably requested by Buyer to provide record notice of Buyer's interest in the Tooling. Buyer's Tooling shall be used solely for the production of goods for Buyer and shall not be used by Seller

for any other purpose unless agreed to in writing in advance by Buyer. Seller will bear the risk of loss of and/or damage to such Tooling while in Seller's custody, normal wear and tear excepted. Seller waives all rights of subrogation against Buyer in respect of any injury to or death of any of its employees, which arises in connection with any property of Buyer in its possession. Upon the termination or expiration of the Order, Seller's right to the use of any of Buyer's Tooling, Tooling designs, etc., whether internal or external to Seller's premises, shall immediately terminate, and Buyer's Tooling will be placed immediately by Seller in a segregated area to await disposition by Buyer. Seller shall make such Tooling immediately available to Buyer upon Buyer's request.

10. **Plant Inspections:** Seller will permit Buyer's agents to enter Seller's premises at reasonable times and after reasonable notice to inspect goods being fabricated, determine Seller's compliance with this Order, including use and maintenance of Buyer's property, and inspect any books and records of Seller which are related to Seller's performance of this Order or Service Order.

11. **Warranty:** Seller represents and warrants to Buyer, as of the time of delivery hereunder, that (1) title to all goods will pass to Buyer free and clear of any claim or lien of any third person asserting through or against Seller; (2) all goods will expressly conform to all applicable drawings, specifications, samples and/or descriptions, whether furnished by Seller or Buyer, and will be merchantable and both suitable and usable by Buyer for the intended purpose; (3) all goods will be free of any defect in material, workmanship and design if Seller has designed the goods; (4) all services shall be performed in a workmanlike manner; and (5) all goods were produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and all orders and regulations issued by the Administrator of the Wage and Hour Division pursuant to Section 14 thereof. Seller will pay or reimburse to Buyer all expenses which Buyer incurs in connection with any repair or replacement of (i) any goods delivered hereunder due to any such defect, and (ii) additionally, any product which incorporates any goods delivered hereunder, Buyer sells to any customer and Buyer is required to repair or replace due to any such defect under any warranty made by Buyer in respect thereof.

12. **Indemnity:** Seller will defend, at its own expense, any claim, lawsuit or other proceeding brought against Buyer or any of its customers to the extent based on a claim that Seller's performance of any service hereunder, or any defect in material or workmanship of any goods (or in the design thereof if Seller designed same) delivered hereunder, caused or contributed in any way to the death of or injury to any person or damage to or destruction of any property, and Seller will indemnify, defend and hold Buyer harmless for all damages, attorney fees, and costs incurred or awarded therein. As used herein, a defect includes the failure to affix safety warning to the goods and to provide adequate use instructions. In the event that any of Buyer's products are subject to any recall action or investigation (as required by any governmental agency or authority, or that is required to prevent any unreasonable risk to public highway safety) due to a defect that is attributable to the goods supplied by Seller, Seller shall indemnify, defend and hold Buyer harmless for any and all costs and expenses, including administrative expenses, incurred by Buyer or for which Buyer becomes obligated to any third party in connection with such recall or investigatory event. To the extent that Seller causes or contributes to any delay or damages affecting Buyer, or for which Buyer may be held accountable to any third-party, Seller shall be obligated to pay to Buyer all actual, consequential, special and/or liquidated damages associated with any such delay or damages hereunder.

13. **Insurance:** Seller will maintain, at its own expense, the following minimum primary and/or excess insurance coverages with the following minimum limits: (i) statutory workers' compensation; (ii) employer's liability of U.S. \$5 million; (iii) commercial general liability (including products/completed operations and contractual liability coverage) of \$5 million bodily injury or property damage per occurrence; and (iv) automotive liability (covering owned, non-owned and hired vehicles) of \$5 million bodily injury or property damage per accident. In addition, Seller shall maintain (i) all-risk property coverage, including transit, and theft coverage for goods, whether or not owned by Buyer, that have been

ordered by Buyer and are in the care, custody or control of Seller, its agents or contractors, and (ii) any other insurance coverages that Buyer deems appropriate. Upon Buyer's request, Seller will promptly furnish certificates of insurance indicating the foregoing coverage, naming Buyer as an additional insured where deemed appropriate by Buyer, and requiring written notice to Buyer at least thirty (30) days prior to the cancellation, reduction or non-renewal of any such coverages.

14. **Patents, Trademarks:** Seller will defend, at its own expense, any claim, lawsuit or other proceeding brought against Buyer or any of its customers to the extent based on a claim that the goods specified or designed by Seller or any part thereof or any device or product resulting from use thereof constitutes an infringement of any applicable patent, and Seller will pay all damages, attorney fees and costs awarded therein. If any such goods, parts, devices or products are held to constitute an infringement and use thereof is enjoined, Seller, at its own expense and its option, will either procure for Buyer or its customer the right to continue using same, modify same to avoid infringement, replace same with a non-infringing article, or refund the full purchase price therefor and pay all costs which Buyer and/or its customer incurs in connection with receipt and return thereof. The names and trademarks of each party and its affiliates will remain the sole and exclusive property of that party or its affiliate. A party will not use any name or trademark of the other party or any of its affiliates for any purpose whatever without the owner's prior written authorization.

15. **Trade Secrets; Confidential Information:** All patterns, designs, drawings, specifications, bills of material, manufacturing documentation, quality control procedures plans and other materials which Buyer provides to Seller in connection with this Order or Service Order, whatever the form, whether printed, documentary, electronic media or otherwise, are confidential, will be deemed to contain trade secrets and will be and remain the property of Buyer unless otherwise agreed in writing. Seller shall keep confidential and not disclose or use (except solely to perform Seller's obligations hereunder) any such confidential information of Buyer. All work performed or created by Seller for Buyer, and any material which Seller delivers to Buyer, hereunder shall be deemed a work made for hire, and all rights thereto shall belong exclusively to Buyer.

16. **Termination:** Buyer may terminate this Order or Service Order, in whole or in part, at any time by written notice to Seller, whether or not Seller is in default of any obligation hereunder and without regard to the existence of any cause or event specified in paragraph 17 herein. After receipt of a termination notice, unless Buyer otherwise directs, Seller will immediately terminate all work under this Order or Service Order and, additionally, (1) terminate all orders and subcontracts relating to this Order or Service Order; (2) settle all claims arising out of such terminations, (3) transfer title and deliver to Buyer all completed work which conforms to the requirements of this Order and does not exceed the quantity authorized for shipment to Buyer; and (4) take all action necessary to protect property in Seller's possession in which Buyer has or may acquire an interest. If Buyer terminates or cancels an Order, Buyer's sole liability to Seller shall be to purchase from Seller the following quantities of goods which are usable by Buyer and of good and merchantable quality and on hand at Seller as of the date of termination or cancellation notice: up to thirty (30) days' supply of finished goods pursuant to Buyer's open order schedules at current pricing levels, up to sixty (60) days' supply of work in process, and up to ninety (90) days' supply of raw materials that are not otherwise usable by Seller for the production of other goods. Upon termination of a Service Order, Buyer shall pay Seller for any services rendered to the date of termination notice. Buyer shall have access to Seller's premises and records prior or subsequent to payment, to verify charges supporting any termination claim. The provisions of this paragraph shall not apply if Buyer cancels this Order or Service Order due to Seller's default.

17. **Excusable Delays, Force Majeure:** Neither party will be liable for failure to perform any of its obligations under this Order or Service Order during any period in which that party cannot perform due to acts of God beyond the party's control, including, but not limited to, fire, flood, or other natural disaster, war, embargo, or riot (a "force majeure condition"), provided that the party so delayed immediately

notifies the other party of the delay, except that Seller shall not be excused from performance for circumstances relating to Seller's own labor force, including labor strikes and lockouts. If Seller's performance is delayed by force majeure conditions for a cumulative period of thirty (30) days or more, Buyer may terminate this Order or Service Order by giving Seller written notice, which termination will become effective upon receipt of such notice. If Buyer terminates this Order or Service Order under this paragraph 17, its sole liability under this Order or Service Order will be to pay any balance due for conforming goods, products or services (1) delivered by Seller before receipt of Buyer's termination notice; and (2) ordered by Buyer for delivery and actually delivered within fifteen (15) days after receipt of Buyer's termination notice. If Seller cannot deliver goods or services hereunder because of a force majeure condition, Buyer may immediately seek substitute performance.

18. **Further Assurances; NAFTA:** In performance of this Order or Service Order, Seller will comply with all applicable federal, state and local laws, Presidential Executive Orders, and regulations issued thereunder, including, without limitation, Executive Order No. 11246, the Federal Occupational Safety and Health Act of 1970, the Federal Hazardous Material Transportation Safety Act of 1994, and the Federal Toxic Substance Control Act, all as amended. Seller further assures Buyer that all goods and containers of goods delivered hereunder will conform to the requirements of such laws, orders and regulations. Seller shall provide annually to Buyer accurate and complete North American Free Trade Agreement (NAFTA) Certificates of Origin for the goods supplied to Seller hereunder. The NAFTA Certificate of Origin must be completed in accordance with regulations published by the U.S. Department of Treasury in the Federal Register and any amendments thereto, and in accordance with instructions issued to the Seller by Buyer. Upon a change in the NAFTA content of any goods supplied by Seller to Buyer hereunder, Seller shall immediately provide Seller with a new NAFTA Certificate of Origin.

19. **Disputes, Applicable Law:** This Order or Service Order, and any dispute among the parties related to same, will be governed by the laws of Ohio, U.S.A. The remedies herein specified are in addition to, and not in limitation of, any other remedies available to Buyer at law or in equity.

20. **Assignment:** Seller may not assign or transfer any right or obligation hereunder, including the right to money, without Buyer's prior written approval. Any such assignment or transfer made without Buyer's prior approval, whether by operation of law or otherwise, will be void and have no force or effect.

21. **Entire Agreement:** These terms and conditions constitute the entire agreement between the parties and no change to or modification of this Order or Service Order shall be binding upon Buyer unless signed by an authorized representative of Buyer's procurement or purchasing office at Buyer's place of business issuing this Order or Service Order.