

AICHI FORGE USA, INC.
PURCHASE ORDER TERMS AND CONDITIONS

1. Acceptance: This Order expressly limits acceptance to the terms and conditions set forth herein. This Order shall be deemed to be accepted and shall be a binding contract for the sale of the Goods and/or the provision of the Services upon the first to occur of the following events: (i) Seller or its agent executing and delivering the acknowledgment copy of this Order to Buyer; (ii) Seller shipping or delivering the Goods to Buyer or a person designated by Buyer in this Order; or (iii) Seller commencing the performance of the Services.

2. Governing Terms and Conditions: The terms and conditions set forth in this Order shall constitute the sole and exclusive agreement between Buyer and Seller and this Order shall supersede all prior agreements or commitments, whether oral or written, with respect to the Goods and/or Services. Acceptance of this Order is expressly limited to, and conditioned upon, acceptance of the terms and conditions set forth in this Order. Buyer hereby gives notice that it objects to and rejects any terms or conditions contained in any document which has been or may in the future be supplied by Seller to Buyer which are in addition to, different from, inconsistent with, or attempt to vary, any of the terms or conditions of this Order whether such terms or conditions are set forth in Seller's tender, proposal, order acknowledgment, invoice or otherwise. Buyer's acceptance of the Goods or Services shall not be construed as an acceptance of any terms or conditions contained in any such document supplied by Seller to Buyer. If this Order is deemed to be an acceptance of a prior offer by Seller, such acceptance is conditional on Seller's assent to all the terms and conditions set forth in this Order.

3. Modifications and Revisions: No revision or modification of the terms and conditions of this Order shall be binding on Buyer unless such revision or modification is expressly accepted in writing by Buyer.

4. Delivery, Title and Risk: Notwithstanding any shipping arrangement specified in this Order, delivery of the Goods to Buyer shall take place at Buyer's facility or such other shipping destination, specified on the face of this Order. Seller shall have the risk of loss for all Goods shipped under this Order until the receipt of delivery and acceptance of such Goods by Buyer at the specified location, at which

time title to, and the risk of loss, with respect to such Goods shall pass to Buyer. Partial shipments are not permitted unless otherwise agreed to in writing by Buyer. When parties agree to the change of the shipping method, and Buyer's customer or its contractor receives such Goods at Seller's site, the risk of loss for all Goods shipped under this Order shall pass to Buyer upon the receipt of all Goods; however, such receipt shall not be construed as an acceptance of such Goods and, Buyer shall reserve the right to inspect such Goods in order to decide if it will accept or reject the Goods and to inform Seller of such decision within a reasonable time after the Goods are delivered to the facility or plant of Buyer's customer or its contractor; the title to such Goods shall pass to Buyer at the time of its acceptance of the Goods.

5. Taxes: All applicable sales or use taxes payable by Buyer shall be separately identified on the face of this Order. Any such taxes not so identified shall be deemed to be included in the price. Seller shall provide valid Resale Certificate / Exemption Certificate complying with the State where Seller is conducting its business.

6. Price Inclusive: Unless otherwise specifically set forth in this Order, the stated price shall include all duties, levies, packing charges, and any other charges whatsoever in connection with the Goods and/or Services.

7. Payment: Unless otherwise notified by Buyer, payment of Seller's invoice shall be due 45 days after delivery of the Goods by Seller and acceptance of the Goods by Buyer, provided that Buyer does not otherwise contest the amount of such invoice in good faith or quality or quantity of the Goods unless otherwise specified in this Order. Payment shall not constitute the acceptance of the Goods. In the case of the performance of Services at Buyer's plant site, payment shall not be due until Seller has delivered to Buyer such releases or waivers of all claims for liens as Buyer may reasonably require.

8. Inspection: Buyer shall have the right to inspect the Goods at Seller's plant, other place of manufacture or facility or plant of Buyer's customer or its contractor. Notwithstanding any such inspection, all Goods are subject to Buyer's final inspection and approval on delivery. If rejected, the Goods will be held for disposal at Seller's risk and

expense. Such inspection, the waiver thereof, acceptance of any part or all of the Goods or payment therefor shall not relieve Seller from full responsibility for furnishing Goods conforming to the requirements of this Order, nor prejudice any claim, right or privilege Buyer may have for defective or unsatisfactory Goods, delays in delivery or other noncompliance with this Order. Failure to inspect shall not be deemed an acceptance.

9. Warranty: In addition to any other express or implied warranties, Seller expressly warrants that: (a) it has marketable title to all Goods furnished under this Order and the right to transfer title to such Goods to Buyer free of all liens and encumbrances; (b) all Goods supplied and/or Services provided shall be in accordance with all applicable specifications, drawings, descriptions or samples furnished and in accordance with all other requirements of this Order; (c) all Goods shall be of new and first class material and workmanship, shall be fit and satisfactory for the purpose for which they are intended, and shall be of merchantable quality; (d) unless a longer period is specified elsewhere in this Order, all Goods and Services furnished shall be free from defect in material, design or workmanship for a minimum period of 2 years from the date that, in the case of Goods, the Goods are used or put into operation by Buyer or Buyer's customer or its contractor, or in the case of Services, for a minimum period of 2 years from the date that the Services are completed; and (e) all Services shall be performed in a workmanlike manner and in accordance with the highest standards for such Services in the tool and die manufacturing industry. Seller shall promptly replace or correct defects in the Goods or Services not conforming to any warranty, without expense to Buyer, when notified of such nonconformity by Buyer.

10. Compliance with Law: Seller warrants and agrees that all Goods and Services furnished hereunder will comply with all applicable federal, state and local laws and regulations in force at the time of supply and/or performance including, without limitation, all applicable occupational safety and health and environmental laws and regulations. Without limiting the generality of the foregoing, Seller shall have complete control and responsibility for the safety and health of its employees and agents while engaged in the performance of the Services at Buyer's facility or facility or plant site of Buyer's customer or its contractor. Seller shall obtain all necessary permits and/or licenses for the supply of the Goods and/or the performance of the Services. Seller shall supply Buyer from time to time with such certificates, documents or information in such form

as may be required by any applicable law, order or regulation or as Buyer may deem necessary or appropriate to establish Seller's compliance with any applicable law, order or regulation.

11. Delay; Shipment: Time is of the essence of this Order. Seller shall furnish Buyer upon request a progress schedule showing the status of the manufacture of the Goods, the expected shipping or delivery date, and/or the progress in the performance of the Services. Seller shall immediately notify Buyer in writing if the supply of the Goods and/or performance of the Services will be delayed, indicating the cause and extent of the delay, but this shall not relieve Seller of its obligation to deliver and/or perform as required by this Order. If delivery of goods is not made by the scheduled delivery date, if any, provided on the face hereof, or if no date is specified, then within a reasonable time, in addition to its other rights and remedies, Buyer may cancel this Order and obtain the goods elsewhere or may accept late performance or delivery and in either case, Seller shall be liable to Buyer for any loss, damage or expediting fees incurred, caused by Seller's failure to make timely performance or delivery including without limitation, consequential and incidental damages and cost of obtaining replacement goods. Seller shall not ship any Goods prior to dates specified on the face of this Order, unless otherwise approved by Buyer.

12. Cancellation: In addition to any other rights and remedies which it may have, Buyer may cancel the supply of the Goods and/or the performance of the Services or any part thereof because of Seller's failure to comply with any of the terms or conditions of this Order (including without limitation, for late delivery of Goods, late performance of Services, delivery of Goods which are defective or which do not conform with this Order, and failure to provide Buyer, upon request, with reasonable assurances of future performance) and Confidentiality Agreement. Furthermore, Buyer may cancel the supply of the Goods and/or the performance of the Services or any part thereof without cause at its sole option by giving written notice thereof to Seller. Upon such cancellation without cause, Buyer shall reimburse Seller for its actual direct costs reasonably incurred in respect of this Order prior to the effective date of notice of cancellation, less the reasonable recoverable value in respect of any Goods or partially completed Goods which Seller could reasonably obtain from a third party.

13. Intellectual Property: Seller acknowledges and agrees that any copyrightable product made, designed

or developed for Buyer pursuant to this Order shall be a "work made for hire" within the meaning of the Copyright Law of 1976, as amended or substituted from time to time. Seller hereby assigns to Buyer any and all inventions, discoveries, computer programs, software, data, technologies, designs, innovations and improvements, and related patents, copyrights, trademarks and other industrial and intellectual property rights and applications therefor made or conceived by Seller or its agents or employees in connection with the performance of Seller's obligations pursuant to this Order.

14. Patents, Copyrights, Trademarks: Unless the Goods and/or Services covered by this Order are supplied pursuant to Buyer's specifications, Seller warrants that said Goods and/or Services do not infringe upon any United States or international patent, trademark or copyright and that Seller will, at its own expense, indemnify, hold Buyer harmless from, and defend Buyer against, any claim, demand, damages or liability asserted against Buyer on account of any claimed infringements for, or on account of, the manufacture, sale or use of any Goods or Services furnished hereunder together with all costs associated with such defense, including attorney's fees.

15. Confidential Nature of Designs, etc.: Any specifications, designs, patterns, samples or other similar items or other technical, commercial or financial information relating to Buyer's business (the "Information") which Buyer may in any way disclose to Seller in connection with this Order, shall be considered proprietary and confidential and may not be disclosed to others without Buyer's prior written consent. Seller shall not use the Information for its own purposes (other than for this Order). All such designs, drawings or other data, including any copies thereof, in Seller's possession, shall be returned upon Buyer's request.

16. Information Furnished to Buyer: Buyer shall have the right to make copies of, or otherwise use for, its own purpose, any drawings or other information provided by Seller in the course of its performance under this Order and no such drawings or other information shall be deemed to be confidential unless Seller advises Buyer in writing that such drawings or other information are to be treated as confidential.

17. Waivers: No waiver of any provision of this Order shall: (a) be binding unless given in writing and signed by an authorized officer or agent of the party to be bound thereby; or (b) imply a waiver of that provision for the future or of any other

provisions in this Order unless the waiver expressly so states.

18. Assignment and Subcontracting: No part of this Order may be assigned or sub-contracted by Seller without the prior written consent of Buyer. No assignment or subcontracting of all or any part of this Order by Seller will relieve Seller from liability under this Order.

19. Governing Law: The rights and obligations of the parties hereto shall be determined according to the laws of the Commonwealth of Kentucky, without regard to its conflict of laws rule, and this Purchase Order and the contract arising therefrom shall be deemed to be made in Kentucky.

20. Choice of Forum: The parties hereby agree that all disputes and controversies arising out of this Agreement shall be determined exclusively by the state or federal courts located in the Commonwealth of Kentucky and Seller hereby consents to the exclusive jurisdiction of such courts with respect to all matters relating to this Agreement and the matters referred to in this Agreement. Seller hereby waives any objection to such jurisdiction and venue.

21. Seller Indemnity: Seller shall indemnify and hold harmless Buyer from and against any and all claims, demands, damages, losses, expenses, costs (including legal fees), fines and penalties sustained or incurred by, or asserted against, Buyer that arise, result from, or relate to: (a) any breach by the Seller of any term, condition, covenant or warranty contained in this Order; (b) any defect in the Goods or Services furnished pursuant to this Order; or (c) any act or omission of Seller or Seller's agents, officers, employees or subcontractors in the course of furnishing the Goods and/or Services.

22. Site Work: When any aspect of this Order involves attendance at or the performance of, Services at Buyer's facility or facility or plant site of Buyer's customer or its contractor, the following additional provisions shall apply: (a) Seller and its agents, officers, employees and subcontractors shall comply with all plant site rules and all safety and security regulations imposed by Buyer, Buyer's customers or its contractor from time to time; (b) Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the performance of the Services; (c) Seller shall maintain the following insurance during the performance of the Services, and shall provide Buyer with satisfactory proof of such insurance coverage: (i) general liability insurance covering all sums which

Seller shall become legally liable to pay as damages arising out of third party property damage or third party personal injury including bodily injury; (ii) auto-mobile liability insurance covering all sums which Seller shall become legally liable to pay as damages arising out of bodily injury and property damage arising out of the operation of owned or non-owned automobiles; (iii) Workers' Compensation Insurance to conform with applicable state laws with limits in accordance with statutory requirements of such laws. Employer's liability insurance covering all sums which Seller shall become legally liable to pay as damages arising out of bodily injury to or occupational disease of the employees of Seller or employees of any subcontractor of Seller; (iv) if the Services require any professional engineering, design, architectural or survey services, professional liability insurance covering all sums which Seller shall become liable to pay as damages arising out of third party property damage or third party personal injury including bodily injury. The policy shall be maintained for 3 years beyond final completion of the Services; (d) all required insurance coverage specified above shall: (i) except as otherwise expressly provided, provide for combined single limit of liability for each occurrence of not less than \$2,000,000.00; (ii) include a waiver of subrogation clause in favor of Buyer; (iii) name Buyer as an additional insured with respect to the operations of Seller; and (iv) provide that at least 30 days written notice shall be given to Buyer prior to any material change or cancellation of any such policy or policies.

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