

**LEAR DO BRASIL INDÚSTRIA E COMÉRCIO DE INTERIORES AUTOMOTIVOS
LTDA. PURCHASE ORDER TERMS AND CONDITIONS**

February 1, 2008 Version

1. Formation; Offer; Acceptance; Exclusive Terms.

A. Each purchase order, together with these Terms and Conditions (“Order”) is an offer by Lear do Brasil Indústria e Comércio de Interiores Automotivos Ltda., or any Pertinent subsidiary with it (“Purchaser”) to the party to whom such Order is addressed and such party’s applicable affiliates and subsidiaries (“Seller”) to enter into the agreement it describes and it shall be the complete and exclusive statement of such offer and agreement. An Order does not constitute an acceptance by Purchaser of any offer or proposal by Seller, whether in Seller’s quotation, acknowledgement, invoice or otherwise. Independently of any legal requirement that is imposed on the buyer to reject in a specific way the terms and conditions of the above mentioned offer in a certain term. In the event that any Seller quotation or proposal is held to be an offer, that offer is expressly rejected and is replaced in its entirety by the offer made up of the Order.

B. A contract is constituted when Seller accepts the offer of Purchaser. Each Order shall be deemed accepted upon the terms and conditions of such Order by Seller by shipment of goods, performance of services, commencement of work on goods, written acknowledgement, or any other conduct of Seller that recognizes the existence of a contract pertaining to the subject matter hereof.

C. Acceptance is expressly limited to these Terms and Conditions and such terms and conditions as are otherwise expressly referenced on the face of the Order. No purported acceptance of any Order on terms and conditions which modify, supersede, supplement or otherwise alter these Terms and Conditions shall be binding upon Purchaser and such terms and conditions shall be deemed rejected and replaced by these Terms and Conditions unless Seller’s proffered terms or conditions are accepted in a physically signed writing (a “Signed Writing”) by Purchaser’s Officer – Purchasing, notwithstanding Purchaser’s acceptance of or payment for any shipment of goods or similar act of Purchaser.

D. In the event of a conflict between the Order and any prior or contemporaneous agreement or document exchanged between Purchaser and Seller, the Order governs.

E. Lear Corporation may from time to time administer purchasing for its affiliates and subsidiaries and issue Orders containing the Lear Corporation logo, but identifying a different Purchaser. Seller acknowledges and agrees that no such Order shall constitute or be interpreted to represent an Order of Lear Corporation or a guaranty by Lear Corporation of any obligations or liabilities of the Purchaser identified on the Order.

2. Applicability of Terms and Conditions.

A. These terms and conditions, with the occasional possible modifications (the “Terms and Conditions”) apply to the purchase by Purchaser of all goods and/or services, as applicable, from Seller as described on the face of each Order (collectively, “Goods”) or on any document expressly referenced on the face of such Order describing such Goods. The term “Goods” throughout these Terms and Conditions includes, without limitation, raw materials, components, intermediate assemblies, tooling, molds, equipment and end products

and all services, performed or not performed in connection with any of the mentioned items. Same of the Terms and Conditions only apply to particular types of Goods, but only where expressly limited to those types of Goods.

B. These Terms and Conditions apply to all Sellers under an Order, including, without limitation, any Seller that is a Directed Supplier. A "Directed Supplier" is any Seller from which Purchaser has been requested or recommended to procure Goods at the direction or suggestion of Purchaser's customer and/or the ultimate Original Equipment Manufacturer ("OEM") customer, if different (collectively, the "Customer") (including through co-sourcing arrangements), or when, due to a Customer's product description, specification or other limitation, Purchaser is limited to a specific Seller for the Goods required. Each Seller that is a Directed Supplier acknowledges the applicability of these Terms and Conditions and agrees to be bound by these Terms and Conditions, including, without limitation, the First Class Supplier requirements under Section 6 and the payment terms under Section 33.

C. Each Order and Order amendment issued by Purchaser to Seller after **February 1, 2008** incorporates these Terms and Conditions which shall apply to each such Order, as amended, in its entirety. In addition, the Manual of requirements of the supplier, the Limits and definitions of the tools, the Limits for the audit of tools, the requirements of sending and packing, and other manuals, limits and Lear Corporation's, available requirements occasionally under the subject " You Web Guide " across the links provided in Lear Corporation's web site www.lear.com in the section Information for the supplier (as a whole, the " Web Guides ") they join to these Terms and conditions as reference. In the supposition of a conflict arises between someone of the Web Guides and these Terms and conditions, these Terms and conditions will prevail. The Buyer can modify any Guide Web or add Guides Web additional, at any time, publishing a notification on the modifications or the Guides Web new across the links provided in Lear Corporation's web site in www.lear.com in the section Information for the supplier at least ten (10) days before any new or modified Web Guide becomes effective. The Seller must periodically check the web site of Lear Corporation and the Web Guides. The uninterrupted fulfillment of the contract on the part of the Seller according to the Terms and conditions of the Order without providing a written notification to the Buyer, according to Section 44, detailing Seller's objection to any of the Web Guides new or modified before the date in which these enter force it will be fastened to and there will represent the acceptance of the Seller of the above mentioned Guides Web new or modified.

D. The Terms and Conditions and the web guides that are applicable to each Order are the Terms and Conditions that are in effect on the Issue Date shown on the later of the Order or any Order amendment applicable to such Order.

E. No exception, deviation, or waiver of these Terms and Conditions shall be valid or binding on Purchaser unless specified on the face of an Order or Order amendment or made in a Signed Letter by Supplier's Purchasing Vice president.

3. Documents used in Purchasing. The following documents may be used by Purchaser as a part of Purchaser's sourcing and purchasing process. Unless otherwise expressly noted (i) in any of the following documents enumerated in paragraphs A to I that the Purchases Buyer's Vice-president has signed (ii) or in the text of the Order, the Order replaces all the mentioned documents in its entirety.

A. Long Term Agreement ("LTA"). This is an agreement related to price reductions that is also used, in some cases, as an indicator for eligibility to quote on certain business. LTAs effective prior to **February 1, 2008** signed by any other authorized Purchasing personnel shall continue in effect despite Section 3(i) above.

B. Lear Supply Agreement ("LSA"). This is an agreement that settles relationship terms between Seller and Purchaser including changes upon agreed prices and that also is used, in some cases, as an indicator for eligibility to quote on certain business. LSAs effective prior to **February 1, 2008** signed by other authorized Purchasing personnel shall continue in effect despite Section 3(i) above.

C. Joint Development Agreement ("JDA"). This is an agreement between Purchaser and other party to jointly develop a specific product or technology. JDAs effective prior to **February 1, 2008** signed by other authorized Purchasing personnel shall continue in effect despite Section 3(i) above.

D. Letter of Intent ("LOI"). This is an agreement by which Purchaser agrees to be liable for certain expenses associated with the acquisition by a third party of long lead time items, normally tooling or equipment. Such an agreement is binding on Purchaser only if it (i) expressly states that it is binding and (ii) contains a stated maximum liability and a limited duration.

E. Early Sourcing and Target Agreement ("ESTA"). This is an agreement that, without commitment by Purchaser to source Seller, provides a potential supplier with the opportunity to develop required technology and processes that may be necessary for the production of Goods for Purchaser. Purchaser owns any related developments under an ESTA or has the right to acquire such developments at audited incremental costs.

F. Supplier Engineering Target Agreement ("SETA"). This is an agreement between Purchaser and Seller relating to engineering owned by Seller that is used, in certain cases, to supplement the relevant terms of the Order.

G. Supplier Owned Tooling Agreement ("SOTA"). This is an agreement between Purchaser and Seller relating to tooling owned by Seller that is used, in certain cases, to supplement the relevant terms of the Order.

H. Request for Quotation ("RFQ"). This is an introductory step in potentially generating an offer from Purchaser to Seller contained in an Order. It may include Volume and Duration forecast (See Section 5) and specifications for the Goods being quoted.

I. Engineering Change Notice ("ECN") This is an alternative introductory step in potentially generating an offer from Purchaser to Seller contained in an Order. It may include Volume and Duration forecast (See Section 5) and specifications for the Goods being quoted.

J. Quotation. Following the RFQ or ECN, this is generally the next step in generating the offer from Purchaser to Seller contained in the Order. It also may include Volume and Duration forecast (See Section 5) and may reference forecasted prices.

K. Order. The Order describes the Goods being purchased, specifies the name and address of the Purchaser and Seller and incorporates these Terms and Conditions. In accordance with Section 1, each Order constitutes Purchaser's offer to Seller to celebrate the agreement it describes, and represents the complete and exclusive statement of such offer and agreement. Each Order is either a Spot-buy Order or a Blanket Order or an Order with Exclusive Supply contract. This depends on the quantity and the duration specified in the text of the Order. A Spot-buy Order is a one-time Order for a specific quantity of Goods. A Blanket Order is an Order for Goods in accordance with the firm quantities and delivery schedules specified in Releases issued by Purchaser referent to the Order. An Order with Exclusive Supply contract is an Order to buy the totality or a part of the goods that the Buyer needs during a specific period of time of agreement, with the fixed quantities and the

schedules of delivery specified in the Release that the Buyer expresses in conformity with the Order. When referring to an "Order", this means the initial Order, and any further modification to the Order expressed by the Buyer.

L. Release. This is a schedule by which Purchaser (i) specifies the firm quantity of Goods that Seller is to deliver to Purchaser will have to deliver at least weekly, (ii) authorizes material fabrication, and/or (iii) authorizes the purchase of raw materials/components, each for the period specified therein. The Release indicates the quantity of Goods and/or the quantity of raw materials/components, as applicable, for which Purchaser is liable to Seller and that Seller is obligated to provide to Purchaser for the period specified therein. The Release may also provide a forecast of the quantity of Goods that will be ordered beyond the firm quantity amount. The forecast is not binding on Purchaser or Seller.

M. Order amendment. This is an amendment to the Order issued by Purchaser on Purchaser's purchase order across the standard protocol of purchases of the Buyer form to reflect an amendment or modification to the Order.

4. Quantity and Duration.

A. The quantity applicable to each Order and its duration are specified on the face of the Order. The specified quantity can reach up to hundred per cent (100 %) of the Products that the Buyer needs. For all Blanket Orders and Orders with contract of supply with exclusivity, Purchaser shall issue a Release (see Section 3.L) to specify the quantities needed, delivery locations, and dates. Seller acknowledges and agrees that, notwithstanding anything in any Order to the contrary, Seller is forced to provide Goods to Purchaser in at least the quantity and for at least the period specified in any Release. A Release will specify a firm quantity of Goods and/or a firm quantity of raw materials/components that Purchaser will be responsible for in the event of ending (see Section 17.B). Releases may include Volume and Duration Projections (see Section 5), but Releases are only binding upon Purchaser for, and Purchaser will have no obligation or liability beyond, the quantity specified as firm in the Release. Seller acknowledges and agrees to accept the risk associated with the lead times of the various components if they are beyond the firm Release amounts provided by Purchaser.

B. Unless the Order specifically provides that Seller shall produce one hundred percent (100%) of Purchaser's requirements for the Goods, Purchaser shall have the right to obtain a portion of such Goods from another third party source or from Purchaser's internal sources. None of the parts of the Order will have to be interpreted as a way of granting a right of exclusivity to the Seller to give Products or any other article to Buyer.

5. Volume and Duration Projections. From time to time and in connection with quotations, requisitions and Orders, Purchaser may provide Seller with estimates, forecasts or projections of its future volume or quantity requirements for the Goods and/or the term of a program ("Volume and Duration Forecast"). Volume and Duration Forecast, unlike a Release for a firm quantity, are not binding on Purchaser. They also are not evidence of an Order with Exclusive Supply contract. Seller acknowledges that the Volume and Duration Forecast, like any other forward looking forecast, are based on a number of economic and business factors, variables and assumptions, some or all of them may change over time, and may or may not be accurate at the time they were made. Purchaser makes no representation, warranty, guaranty or commitment of any kind or nature, express or implied, regarding any Volume and Duration forecast or other estimation, forecast or projection provided to Seller, including with regards to its accuracy and integrity. Seller agrees that Volume and Duration forecast may be accurate and that actual volume or duration may be lower or higher than forecast. Seller

accepts that this risk, which is also a possible benefit, is characteristic of the automotive industry.

6. First Class Supplier Requirements. Seller must provide world-class competitive Goods in terms of cost (see Section 7), quality (see Section 8), delivery (see Section 9), technology (see Section 10) and customer support (see Section 11). Each reference to First Class Supplier in these Terms and Conditions and in any other document or agreement between Purchaser and Seller incorporates by reference each of the elements mentioned before (cost, quality, delivery, technology and customer support) and all of the conditions, provisions and requirements pertaining to such elements in these Terms and Conditions. Seller's failure to meet the requirements of a First Class Supplier, this will let Purchaser end order immediately under Section 17.A.

7. Cost.

A. Prices charged for Goods listed on the Order are not subject to increase, including specifically any increase based upon changes in raw material or component pricing, labor or overhead, unless specifically agreed by Purchaser on the face of an Order amendment or in a Signed Letter by Supplier Purchasing Vice president.

B. Seller declares that the price charged to Purchaser for Goods is at least as low as the price charged by Seller to buyers of a same class that Purchaser under similar conditions to those specified in the Order and that all prices comply with all applicable governmental laws and regulations in effect at the time of quotation, sales and delivery. Seller agrees that any reduction price implemented by Seller for any Goods or related charges will apply to all shipments of such Goods under the Order or any amendment Order from and after Seller's implementation of the reduction price.

C. Seller shall ensure that the price charged for goods to Purchaser remains competitive with the price for similar goods available to Purchaser from other sellers.

D. Seller agrees to participate in Purchaser's cost savings and productivity programs and initiatives and to implement his own cost savings and productivity programs and initiatives to reduce his costs.

8. Quality.

A. Seller shall meet all Purchaser quality requirements and all quality requirements of Purchaser's Customer, including, the applicable plans relating to TS 16949, ISO 14001 and the different reports on the vehicles out of use of the Manufacturers of Original Equipments and other requirements. These requirements are detailed clearly on _____.

B. Seller agrees to participate in Purchaser's quality and development program and to comply with all quality requirements and procedures specified by Purchaser, which surrender to review occasionally. Based on Purchaser's assessment of responsibility, Seller may be held responsible for any and all costs associated with quality issue investigation, containment and Remedial Actions on account of Goods provided by Seller to Purchaser (including third parties activities identified and initiated by Purchaser). Seller is forced to provide any and all reasonable support requested by Purchaser to address immediately and correct concerns regarding the quality of Goods provided. Seller shall provide additional resources, as necessary and as identified by Purchaser, to support products and process

development, validation, production launch, or any issue that may success of the manufacture or assembly of any Goods or program.

C. Seller must assure that equipment (shared and specific) and plant capacity are adequate to meet Purchaser's needs. Ongoing capacity analysis must account for at least: scrap variation, downtime, maintenance, and other Customer requirements. Each production process must successfully complete a Run-at-Rate. The Run-at-Rate must demonstrate that Seller's production process can produce in less than 24 hours at least one day's quantity of acceptable quality Goods to satisfy Seller's Capacity Planning Volume ("CPV"). Purchaser is not obligated to pay Seller any incremental costs as long as the Release quantities do not exceed Seller's CPV. The requirement for capacity and the CPV is not a volume, program or other commitment by Purchaser.

D. Seller is responsible for all sub providers of goods or services. Seller must maintain adequate development, validation, launch, and ongoing supervision to assure all Goods provided to Purchaser conform to all specifications, standards, drawings, samples and descriptions, including, without limitation, as to quality, performance, fit, form, function and appearance, under the Order.

E. For all Goods, in addition to any other applicable warranties, Seller shall provide the warranties specified in Section 12.

9. Delivery.

A. Deliveries shall be made both quantity and times specified on Order or Releases furnished by Purchaser. Time and quantity of delivery are the essence of each Order. Seller shall adhere to shipping directions specified on the Order or Releases. Purchaser shall not be required to make payment for Goods delivered that exceed quantities and delivery schedules specified in Purchaser's Releases. Purchaser may, upon notification to Seller, change the rate of scheduled shipments or direct temporary suspend shipment scheduled. Neither of this situation shall entitle Seller to a price modification of Goods included in any Order. With each delivery, It's considered that Seller shall have made the representations, warranties and covenants with respect to its financial and operating condition provided in Section 14.

B. Premium shipping expenses and/or other related expenses necessary to meet releases delivery schedules shall be Seller's only responsibility, unless the delay or expense was a result of Purchaser's negligence and Seller provides Purchaser with notice of any claim against Purchaser within ten (10) days after the occurrence of the alleged negligent action of Purchaser giving rise to such claim.

C. Despite of any agreement concerning payment of freight expenses, delivery shall not have occurred and the risk of loss shall not have shifted to Purchaser until the Goods have been delivered to Purchaser's applicable facility and have been accepted at that facility. Good would be accepted by the Buyer when there is fulfilled the first one of these points: (i) the acceptance expresses of the goods from the Buyer, that will remain verified with a signed Writing o _____ month since _____.

10. Technology

A. If Purchaser furnished or supplied Seller with any designs, drawings, specifications, blueprints or other materials that contain proprietary information, Seller shall not disclose or use for hid benefit or others such designs, drawings, specifications, blueprints

or other material including any copies, except as approved by Purchaser on the face of an Order or amendment Order or in a Signed Letter Supplier Purchasing Vice president.

B. Seller expressly warrants that all Goods covered by each Order will not and do not infringe any patent, trademark, copyright or other intellectual property of any third party. Seller (i) agrees defend, hold harmless and indemnify Purchaser and its Customers against all claims, demands, losses, suits, damages, liability and expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or incident to infringe any foreign patent, trademark, copyright or other proprietary right by the manufacture, use or sale of the Goods ordered. Including infringement arising out of compliance with specifications furnished by Purchaser or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; and (ii) waives any claim against Purchaser and its Customers, including any hold-harmless or similar claim, whether known or unknown, contingent or latent, in any way related to a claim against Seller or Purchaser for infringement of any patent, trademark, copyright or other proprietary right, including claims arising out of compliance with specifications provided by Purchaser. Seller hereby assigns to Purchaser all right, title and interest in and to all inventions, trademarks, copyrights and other proprietary rights in any material created for and paid for by Purchaser under each Order. Technical information and data provided to Purchaser related with each Order are disclosed on a non confidential basis.

C. Seller expressly warrants that all copyrightable works of original authorship (including computer programs, technical specifications, documentation and manuals), ideas, inventions (whether patentable, patented or not), know-how, processes, information compilation, trademarks and other intellectual property (collectively, "Deliverables") are original from Seller and shall not incorporate any intellectual property (including copyright, patent, trade secret, confidential work, or trademark rights) of any third party.

D. All Deliverables that are created in the course of any Order (separately or as part of any Goods), and all intellectual property rights in Deliverables, are owned by Purchaser and not by Seller. Seller agrees that all works of original authorship created by Seller in connection with each Order are "works made for hire" since these terms are in use in what concerns the Law of Intellectual Property of Argentina. To the extent that, by operation of law, Seller owns any intellectual property rights in the Deliverables, Seller hereby assigns to Purchaser all rights, title and interest, including copyrights and patent rights, in such Deliverables.

E. Seller grants to Purchaser an irrevocable, non-exclusive, worldwide license with the right to grant sublicenses to affiliates to use any technical information, know how, copyrights and patents owned or controlled by Seller or its affiliates to make, have made, use and sell any Goods provided by Seller under each Order. The license shall be effective from the first delivery of Goods under the Order. For a period of two (2) years from Seller's first delivery of Goods under the Order, Purchaser shall pay to Seller a "reasonable royalty" for such license, seller accept that this royalty it's included in the price paid by Purchaser to Seller for the Goods. In the event Purchaser sources the Goods from a third party, not Seller, Purchaser shall pay Seller a "reasonable royalty" for a period of two (2) years from the date of Seller's first delivery of Goods and thereafter, Purchaser's license shall be royalty free, fully paid-up, permanent and irrevocable.

F. Seller shall ensure that any subcontractors to Seller shall have contracts with Seller in writing consistent with the terms of Section 10 to ensure that the protections required by Purchaser from Seller are also received from subcontractors for the benefit of Purchaser and Seller.

11. Customer Support.

A. Seller shall support all supplier initiatives of Purchaser and support Purchaser in meeting the initiatives of its Customers. Upon Seller's written request, Purchaser shall cooperate with Seller to explain terms, conditions and requirements of Purchaser's Customers.

B. Because of all elements of the automotive Supply Chain, must work together to ensure that Purchaser's Customer's terms, conditions and requirements are met, it is the intent of both Seller and Purchaser that the applicable terms, conditions and requirements of Purchaser's Customer are transmitted through Purchaser to Seller to the extent that they do not conflict with the terms of the Order. To the extent that Seller does not meet the applicable terms, conditions or requirements of Purchaser's Customer or to the extent that the terms of Purchaser's Customer do conflict with the terms of the Order, Seller agrees, despite of any such conflict, to indemnify and hold harmless Purchaser from any and all claims and demands from Purchaser's Customer relating to any actual or alleged problem or issue with the Goods sold by Seller under any Order or the manner in which Seller has supplied such Goods under the Order.

C. The automotive industry is customer focused and Seller agrees to work with Purchaser to meet the Purchaser's Customers requirements. Therefore, in the event that any requirement imposed by any Order on Seller is found to be inapplicable or a gap is otherwise created in the terms applicable to any Order through operation of law, conflict in terms or otherwise, the parties agree that the corresponding requirement of Purchaser's Customer shall be applicable to and binding on Seller for the benefit of Purchaser. Seller acknowledges that it is familiar with the automotive industry and the applicable terms of Purchaser's Customer that would apply in such an event.

12. Warranty.

A. Seller expressly warrants that all Goods covered by each Order will conform to all specifications, standards, drawings, samples or descriptions furnished to or by Purchaser, and all industry standards, laws and regulations in force in countries where Goods or vehicles equipped with such Goods will be sold. Also warranties that, all Goods will be merchantable, of good material and correct manufacturing and free from defects. In addition, Seller acknowledges that Seller knows of Purchaser's intended use and expressly warrants that all Goods covered by each Order will be fit and sufficient for the particular purpose intended by Purchaser.

B. Seller expressly warrants that, for all Goods under the Order, Seller shall transfer good title to Purchaser, free and clear of all liens, claims or other charges.

C. All warranties will be effective for the longer of (i) the period provided by applicable law, or (ii) the warranty period provided by Purchaser to its Customer; provided, however, in the event that Purchaser or its Customer voluntarily or pursuant to a government mandate, makes an offer to owners of vehicles (or other finished products) on which the Goods, or any parts, components or systems incorporating the Goods, are installed to provide remedial action to address a defect or condition that relates to motor vehicle safety or the failure of the vehicle to comply with any applicable law, safety standard or guideline, whether in connection with a revision campaign or other customer satisfaction or corrective service action (a "Remedial Action"), the warranty shall continue for such time period as may be dictated by Purchaser's Customer or the federal, state, local or foreign government where the Goods are used or provided and Seller shall fully comply with the requirements under Section 12.I.

D. The warranty period for non-production materials shall be the longer of one (1) year after final acceptance by Purchaser or the period stated in Seller's sales materials.

E. All warranties are intended to provide Purchaser with protection from any and all warranty claims brought against Purchaser by its Customer. This includes, but is not limited to, meeting any Customer-required warranties relating to the Goods in question or products into which the Goods are incorporated. All such Customer-required warranties are incorporated by reference.

F. The following communications shall each constitute notice of breach of warranty under the Order: (i) any communication specifying a defect, default, claim of defect or other problem or quality issue with Goods sold under the Order; (ii) any communication to Seller claiming that Seller's Goods his product are in breach of any warranty or that Seller is in default under the Order; and (iii) a termination notice from Purchaser under Section 17.A. Such claim of breach by Purchaser may only be rescinded by Letter by an authorized member of Purchaser's Legal Department.

G. To mitigate its damages, Purchaser may fully defend any claim from any Customer and any Goods supplied by Seller are defective, in breach of warranty, or otherwise did not meet applicable legal or contractual requirements because such Customer may attempt to hold Purchaser responsible for problems caused in whole or in part by Seller. Seller and Purchaser agree that this defense is in the interest of both Seller and Purchaser. Seller hereby waives the right to argue that the fact that Purchaser took any such position limits Purchaser's right to assert a claim against Seller for breach of warranty, contribution, allowance or other claim that may arise from or be related to the subject matter of any of the foregoing.

H. In the event that Seller wishes to participate in any of the negotiations with Purchaser's Customer regarding any of the foregoing or any related litigation or defense of any claim, each time Seller receives notice of default or claim of breach, Seller shall give Purchaser prompt notice of its request to participate in accordance with Section 42, which notice shall describe particular details of the alleged default or breach.

I. Despite of the expiration of the warranty period mentioned on Section 12.C, Seller shall be responsible for costs and damages associated with the conduct of any Remedial Action to the extent that such Remedial Action is based upon a reasonable determination (including by use of statistical analysis or other sampling methodology) that the Goods failed to conform to the warranties set in the Order. Where applicable, Seller shall pay all reasonable expenses associated with determining whether a Remedial Action is necessary. Purchaser and Seller agree that any Remedial Action involving Goods for Purchaser shall be treated separately and distinctly from similar Remedial Actions of other goods of Seller; provided that such separate and distinct treatment is lawful and Seller shall in all circumstances, give to Purchaser such Goods same protection that gives to its other customers in relation to such similar Remedial Actions.

13. Changes.

A. Purchaser reserves the right at any time to make changes, or cause Seller to make changes, to the Goods under any Order or Order amendment, including, design changes (including drawings and specifications), processing, packing methods and shipping and the date or place of delivery of the Goods covered by the Order or changing the scope of the work covered by the Order including work with respect to such matters such as inspection, testing or quality control, Seller agrees to promptly make modifications. Any change shall will not affect the time for performance or cost under the Order unless (i) Seller provides Purchaser with Letter notice in accordance with Section 44 a claim for adjustment to time for

performance or cost within ten (10) days after Purchaser's notice to Seller of the changes and (ii) after auditing such claim, Purchaser determines that an adjustment (up or down) is appropriate. Any claims by Seller for adjustment to time for performance or cost under an Order must be directly the result of the modification by Purchaser. Any notice of claims shall be effective only if it's attached by all relevant information for Purchaser to verify the claim. In addition, Purchaser shall have the right to audit all relevant records, facilities, work or Sellers materials to verify any claim. Seller shall analyze and advise Purchaser of the impact of a design change on the system in which Goods covered by the Order and will advice to the Buyer regarding this matters. Nothing in this Section 13 shall excuse Seller from proceeding with the Order as changed.

B. Without the prior approval of Purchaser on the face of an Order amendment or in a Signed letter by Supplier's Purchasing Vice President, Seller shall not make any modification to Orders or Goods covered by an Order, including, changing (i) a third party that servers as supplier an provides services, raw materials or goods used by Seller in connection with its performance under the Order, (ii) the facility from which Seller or such supplier operates, (iii) the price of any of the Goods covered by the Order, (iv) the nature, type or quality of any services, raw materials or goods used by Seller or its suppliers in connection with the Order; (v) the fit, form, function, appearance, performance of any Goods covered by the Order; or (vi) the production method, or any process or software used in the production or supply of any Goods under the Order. Any modification that Seller makes on any Order or Goods covered by the Order without the prior approval by Purchaser on the face of an Order amendment or in a Signed Letter by Purchasing Vice president shall constitute a breach of the Order.

14. Financial and Operational Condition of Seller.

A. Seller declares and warranties to Purchaser as of the date of each Order (which representations and warranties shall be deemed repeated as of the date of Seller's acceptance of Release under the Order and at the time of delivery of an Order) that it is not insolvent and is pays before they become due; that it is in compliance with all loan and other obligations; that all financial information provided to Purchaser concerning Seller is true and accurate; that such financial information fairly represents Seller's financial condition; and that all financial statements of Seller have been prepared in accordance with generally accepted accounting, uniformly and consistently applied.

B. Seller shall allow Purchaser and its representatives to review Seller's books and records concerning compliance with each Order and Seller's overall financial condition. Also agrees to provide Purchaser with full and complete access to all such books and records for such purpose upon Purchaser's request. Seller agrees that, if Seller experiences any delivery or operational problems, Purchaser may, designate a representative to be present in Seller's facility to check Seller's operations. Seller agrees that, if Purchaser provides Seller any service (financial or other kind) that are necessary for Seller to fulfill its obligations under any Order, Seller shall reimburse Purchaser for all costs, including attorneys' and other professionals' fees, incurred by Purchaser in connection with such service. Purchaser shall grant a right of access to use Seller's facilities, machinery, equipment and other property necessary for the production of Goods covered by such Order. In case the Seller does not allow to the Purchaser the access to his facilities as it is described in the present document, the Buyer will be authorized to (i) claim damages that has caused the denial of the Seller and (ii) obtain the supply of goods from the third one, in which case the Seller will be responsible for everything and of any cost related to the manufacture of the Products on the part of the third one.

15. Seller Insolvency. Purchaser may immediately end each Order, without any liability of Purchaser to Seller upon the occurrence of any of the following or any other similar or comparable event (each, a “Seller Insolvency”): (i) insolvency of Seller; (ii) Seller’s inability to promptly provide with an adequate and reasonable assurance to Purchaser of Seller’s financial capability to perform timely any of Seller’s obligations under any Order; (iii) filing of a voluntary petition in bankruptcy by Seller; (iv) filing of an involuntary petition in bankruptcy against Seller; (v) appointment of a receiver or trustee for Seller; or (vi) execution of an assignment for the benefit of creditors of Seller.

16. Remedies for Breach by Seller.

A. The rights and remedies reserved for Purchaser in each Order, including, the rights of entry, reclamation claiming and inspection under Section 22, shall be cumulative with, and additional to, all other or further remedies provided in law. Without limiting the generality of the foregoing, if any of the goods failed to conform to the warranties set forth herein or should Seller or any Goods provided by Seller fail to meet any of the conditions of a First Class Supplier under Section 6, Purchaser shall notify Seller and Seller shall, if requested by Purchaser, reimburse Purchaser for any damages, including loss of profits caused by nonconforming Goods. This includes costs, expenses and losses incurred by Purchaser (a) in inspecting, sorting, testing, repairing or replacing such nonconforming Goods; (b) resulting from production interruptions, (c) in conducting Remedial Actions, and (d) in connection with claims for personal injury (including death) or property damage caused by such nonconforming Goods. If requested by Purchaser, Seller shall, without charges to Purchaser, administer and process warranty charge-backs for nonconforming Goods in accordance with Purchaser’s directions. Seller acknowledges and agrees that money damages would not be a sufficient remedy for any actual or threatened breach of any Order by Seller with respect to its delivery of Goods to Purchaser and that, in addition to all other rights and remedies which Purchaser may have, Purchaser shall be entitled to specific performance and temporary, preliminary and permanent injunctive as a remedy for any such breach, without proof of actual damages and without bond or other security being required.

B. In addition, notwithstanding the foregoing, Seller acknowledges that shutting down Customer's plant creates issues for which money damages are not a sufficient remedy. While the cost of a plant shutdown may easily generate substantial costs, the damages to Purchaser's relationship with Purchaser's Customer through potential loss of business, and other damages which are equally difficult to calculate, are worst. Because of these risks, in the event of a breach or threatened breach by Seller warranties or covenants (including any commitment related to being a World Class Supplier), Purchaser may, with a prior notice to Seller, resource the production of Goods from Seller to another supplier or dual source of any of the Goods covered (have another supplier produce or be prepared to produce Goods being produced by Seller), to protect Purchaser and its Customers. This process of moving business may take a considerable amount of time and Seller understands that, given the risks by the possible shutdown of Purchaser’s Customer, Purchaser is justified in initiating and transferring business immediately after prior notice is sent to Seller.

C. Seller understands that the resourcing of business during a program, while is something not desirable, it’s part of the automotive business and is an accepted risk from this industry that Seller’s knows. Even the risk of Seller’s financial or operational uncertainty, in light of the huge risks to Purchaser and Purchaser's Customer, is an example of a justified reason to move production, without notice, and that any incidental or related activity by Purchaser is understandable and reasonable.

D. Notwithstanding anything to the contrary contained in any Order, Purchaser does not release any claim against Seller that is based in whole or in part of any fraud or

duress in connection with the Order or any breach or anticipatory breach of the Order or any other Order between Purchaser and Seller (even if Order is related with other products).

17. Cancelling.

A. Purchaser's Right to cancel because of Breach. Purchaser reserves the right to cancel immediately all or any part of each Order, without any liability of Purchaser to Seller if Seller: (i) repudiates, breaches or threatens to breach any of the terms of the Order including, Seller's warranties and First Class Supplier quality provisions; (ii) fails to perform or deliver Goods as specified by Purchaser; or (iii) fails to provide Purchaser with adequate and reasonable assurance of Seller's ability to perform timely any of Seller's obligations under any Order, including, without limitation, delivery of Goods; or if Purchaser cancelled because of breach any other Order issued to Seller in accordance with the terms of such Order (whether or not such other Order is related to the other Order).

B. Purchaser's Right to cancel order for Convenience. (1) In addition to any rights of Purchaser to cancel each Order, Purchaser may at its option, immediately cancel all or any part of the Order at any time and for any reason by giving Letter notice to Seller. (2) Upon receipt of notice of cancelling pursuant to this Section 17.B, Seller, unless otherwise directed by Purchaser letter, shall (i) cancel immediately all work under the Order; (ii) transfer title and deliver to Purchaser the usable and merchantable finished Goods, work in process, and raw materials/components that Seller produced or acquired in accordance with firm Release amounts under the Order and which Seller cannot use in producing goods for itself or for others; (iii) settle all claims by subcontractors approved by Purchaser on the face of an Order or Order amendment or in a Signed Letter by Supplier Purchasing Vice President, (iv) take actions reasonably necessary to protect property in Seller's possession in which Purchaser has an interest and (v) upon Purchaser's request, cooperate with Purchaser in effecting the resourcing of the Goods covered by the Order to an alternative supplier designated by Purchaser. (3) Upon termination of any Order by Purchaser under this Section 17.B, Purchaser shall pay to Seller only following amounts: (i) the Order price for all finished and completed Goods that conform requirements of the Order and were not previously paid for; (ii) Seller's reasonable actual cost of the usable and merchantable work in process and raw materials/components transferred to Purchaser in accordance with subsection B(2)(ii) hereof; (iii) Seller's reasonable actual cost of settling claims for the Seller obligations would have had to the subcontractors approved by Purchaser on the face of an Order or Order amendment or in a Signed Letter by Supplier Purchasing Vice president in the absence of termination, and (iv) Seller's reasonable actual cost of carrying out its obligations under subsections B(2)(iv) and (2)(v). Purchaser shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from cancelling Order or otherwise. Despite of anything to the contrary, Purchaser's obligation with Seller upon cancelling under this Section 17.B shall not exceed the obligation Purchaser would have had to Seller in the absence of cancel. (4) Within twenty (20) days after the effective date of cancelling under this Section 17.B, Seller shall prepare Purchaser its cancel claims, together with all supporting data which shall consist exclusively of Purchaser's items obligation to Seller that are listed in subsection B(3). Purchaser may audit Seller's records before or after payment to verify amounts requested in Seller's cancel claim.

C. Seller has no right to cancel an Order. Because Purchaser's commitments to its Customers are made in reliance on Seller's commitments under each Order, Seller has no right to cancel any Order.

D. **Supply Transition.** Upon the expiring or earlier cancelling of any Order for whatever reason, Seller agrees taking such action as may be reasonably required by Purchaser to accomplish the transition from Seller to an alternative seller, including, the actions set forth below. The term "alternative seller" expressly includes a Purchaser-owned facility.

(1) Seller shall provide all notices necessary or desirable for Purchaser to resource the Order to an alternative seller.

(2) Seller shall provide a sufficient quantity of Goods covered by the Order to ensure that the transition to any alternative seller chosen by Purchaser will proceed smoothly. Until the Purchaser has specified the contrary in the text of the modification of an Order or in a Letter signed by the Supplier Purchasing Vice-president, it will be considered sufficient to achieve the transition of an inventory of pieces that it includes six weeks. Above mentioned "quantity of pieces that it includes six weeks" will be calculated using the Orders of the Buyer of six weeks immediately previous to the notification of completion sent to the Seller without including any temporary interruption, the paralyze industrial or of factory or other limited chronograms.

(3) The Seller shall return to Purchaser all goods in guarantee (as they are defined in the Section 20) and any other property that the Purchaser has provided or that it belongs or any good that is Purchaser customer property in same condition in which Seller received them, with exception of the natural wear produced by the course of the time and the normal use of the goods.

(4) Seller shall, at Purchaser's option, (i) assign to Purchaser any or all supply contracts of orders for raw material or components relating to Orders, (ii) sell to Purchaser, at Seller's cost, any or all inventory and work in process relating to Orders and (iii) sell to Purchaser, at the unamortized portion of the cost of such items, less any amounts Purchaser previously paid to Seller for the cost of such items, any or all Seller's Property relating to the Order (see Section 21).

18. Damages Limitation. In no event Purchaser shall be liable to Seller for anticipated profits or for indirect damages. This limitation of liability provision applies notwithstanding the type of the Order (including, Spot-buy Orders and Blanket Orders). Purchaser's liability for a claim of any kind or for any loss or damage arising out of or in connection with or resulting from each Order, the Goods or any other agreement between Purchaser and Seller is the Reasonable Obsolescence, if any, created by the event giving rise to the claim. Purchaser and Seller agree that "Reasonable Obsolescence" only means the following amounts: (i) the Order price for all finished and completed Goods that conform to the requirements of the Order and not previously paid for; (ii) Seller's reasonable actual cost of the usable and merchantable work in process and raw materials/components transferred to Purchaser in accordance with the cancelling and are covered by outstanding firm Releases from Purchaser; and (iii) Seller's reasonable actual cost of settling claims for the obligations Seller would have had to the subcontractors approved in a Signed Letter by Supplier Purchasing Vice President in the absence of cancelling limited to the amount of the firm quantities of Goods and raw materials/components specified in Releases issued by Purchaser that are currently outstanding. Purchaser shall not be responsible for and shall not be required Seller to pay, directly or on account of claims by Seller's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, recoupment of investment, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from ending of the Order or otherwise. Despite of anything to the contrary, Purchaser's obligation to Seller upon cancelling of any Order shall not exceed the obligation Purchaser would have had to Seller in the absence of cancelling of such Order.

19. Assignment. Seller shall not assign or delegate any of its duties or obligations under any Order without the prior consent of Purchaser on the face of an Order or Order amendment or in a Signed Letter by Supplier Purchasing Vice president, which consent may be withheld in Purchaser's sole discretion. Any sale or other transfer of stock or other securities of Seller that would result in a change in control of Seller shall be deemed an assignment under the Order. Seller may assign its claims for money under any Order as collateral security for indebtedness of Seller, but Purchaser shall not be required to pay the assignee until Purchaser receives letter notice of the assignment, a true copy of the assignment and a release from Seller reasonably acceptable for Purchaser. Any such assignment shall not prohibit Purchaser from enforcing its rights against Seller or the assignee, including, Purchaser's rights to set off and recoupment under Section 34, all of which rights of Purchaser against Seller or assignee are senior to any rights of such assignee. Purchaser may freely assign to any third party its rights and obligations under any Order without the consent of Seller.

20. Bailed Property.

A. All supplies, materials, molds, machinery, equipment, patterns, tools, dies, jigs, fixtures, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout, consigned material for production or repair and other items furnished by Purchaser, either directly or indirectly, to Seller or to any sub-supplier of Seller in connection with or related to any Order, or for which Seller has been reimbursed by Purchaser (collectively, "Bailed Property"), shall be and remain Purchaser's property and be held by Seller on a bailment at-will basis. Seller shall be responsible for risks of loss and damage to the Bailed Property and Seller, at its own expense, shall keep such Bailed Property insured for the benefit of Purchaser, naming Purchaser as the loss payee and additional insured. Seller should always maintain properly safe the Bailed Property; shall not be used for any other purpose than the performance of the Order; shall be deemed to be personal property; shall be marked by Seller to identify it as Purchaser property and indicate Purchaser's name and address; do not mix with Seller properties or with that of a third person and shall not be moved from Seller's premises without the prior approval by Purchaser on the face of an Order or Order amendment or in a Signed Letter of Supplier Purchasing Vice president. Seller, at its expense, shall maintain, repair and refurbish Bailed Property in first class condition. All replacement parts, additions, improvements and accessories for such Bailed Property shall automatically become Purchaser's property upon their incorporation into or attachment to the Bailed Property. The Seller resolves to free the Buyer, his subsidiaries, civil servants or personnel of any claim that the personnel of the Seller or third foreign to this agreement they initiate against them by virtue of the damages or injuries caused to third parties or that these have suffered due to the utilization of the Goods in guarantee on the part of the Seller.

B. Seller agrees that Purchaser has the right, at any time, with or without reason and without payment of any kind to retake possession of or request return of any or all Bailed Property. Upon the request of Purchaser, the Bailed Property shall be immediately released to Purchaser or delivered to Purchaser by Seller, either (i) free on board transport equipment at Seller's plant, properly packaged and marked in accordance with the requirements of the carrier selected by Purchaser to transport such property, or (ii) to any location designated by Purchaser, in which event Purchaser shall pay to Seller the reasonable cost of delivering such Bailed Property to such location. Purchaser shall have the right to enter onto Seller's premises at all reasonable times to inspect the Bailed Property and Seller's records referring to this matter. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of the Bailed Property for work performed on such property, for the purchase price of any Goods or otherwise. Seller agrees that any missing components of or inserts to any Bailed Property shall be replaced by Seller at current costs.

C. Seller acknowledges and agrees that (i) Purchaser is not the manufacturer of the Bailed Property nor the manufacturer's agent nor a dealer therein; (ii) Purchaser is bailing the Bailed Property to Seller for Seller's benefit; and (iii) Seller has inspected the Bailed Property and is satisfied that the Bailed Property is suitable and fit for its purposes, and (ii) PURCHASER HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE BAILED PROPERTY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE. Purchaser will not be responsible to Seller for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by the Bailed Property, including, its use or maintenance, or its repair, service or adjustment, or by any interruption of service or for any loss of business whatsoever or howsoever caused, including, without limitation any loss of profits or any other indirect damages.

D. Seller authorizes Purchaser to file financing statement or similar document with the appropriate filing authority to give notice of Purchaser's ownership interest in the Bailed Property. Failure to file a financing statement will not alter or amend Purchaser's ownership rights to the Bailed Property. Seller shall provide Purchaser, upon Purchaser's request, with a written inventory of all Bailed Property.

21. Seller's Property. Unless otherwise agreed to by Purchaser and Seller in a Letter agreement signed by both Seller and Supplier Purchasing Vice president, Seller, at its expense: shall (i) furnish, (ii) keep in good condition, and (iii) replace when necessary all Seller's Property (hereinafter defined). Seller hereby grants Purchaser an irrevocable option to purchase, free and clear of all liens, claims and other encumbrances, any or all of Seller's supplies, materials, molds, machinery, equipment, patterns, tools, dies, jigs, fixtures, blueprints, designs, specifications, drawings, photographic negatives and positives, art work, copy layout and other items necessary for the production of the Goods under any Order (collectively, "Seller's Property") that are specially designed or configured for manufacture or assembly of Goods under the Order upon Purchaser's payment of the unamortized portion of the cost of such items of Seller's Property, less any amounts Purchaser previously has paid to Seller for the cost of such Seller's Property. Seller shall permit Purchaser to audit Seller's records to verify the amount due for any of Seller's Property. This option will not apply to any of Seller's Property that is used by Seller to produce a substantial quantity of like products for other customers of Seller which cannot readily be obtained by Seller's customers from third parties unless, at Purchaser's election upon exercise of his option, Seller assigns to Purchaser and Purchaser or its designee assumes Seller's obligation to produce such products for Seller's other customers using those items of Seller's Property during the period subsequent to the sale of Seller's Property to Purchaser. Seller shall cooperate with Purchaser's reasonable requests for information regarding any such obligation to other Seller's customers and to effect such assignment and assumption. Purchaser's right to exercise the option under this Section 21 is not conditioned on a breach by Seller or Purchaser's cancelling of Order.

22. Rights of Entry, Reclamation and Inspection. Purchaser shall have the right to enter Seller's facility during normal business hours or, in the event of a Seller shutdown, at reasonable times, to inspect the facility, Goods, materials and any Purchaser property covered by each Order and, may enter upon Seller's property and remove property belonging to Purchaser or any Customer of Purchaser, including, without limitation, Bailed Property and other Goods, inventory or Seller's Property that has been or is agreed to be sold to Purchaser under the Order. Purchaser's goods inspection, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work in process or finished Goods.

23. Subcontracting.

A. Seller shall not subcontract any of its duties or obligations under any Order without prior approval by Purchaser on the face of an Order or Order amendment or in a Signed Letter by Supplier Purchasing Vice president. Seller shall ensure that any subcontractor approved complies with all production parts approval process requirements of Purchaser's Customer and any other Purchaser requirements. Purchaser or Purchaser's representative shall be afforded the right to verify at any subcontractor's premises and Seller's premises that subcontracted Goods conform to specified requirements. Verification by Purchaser or Purchaser's representative shall not (i) shift responsibility for quality from Seller subcontractor to Purchaser, (ii) absolve Seller of the responsibility to provide acceptable Goods nor (iii) preclude subsequent rejection of Goods by Purchaser. Despite of any verification by Purchaser or Purchaser's representative, Seller remains fully liable for any work subcontracted.

B. In the event Seller's subcontracting of any of the work under any Order is approved by Purchaser on the face of an Order or Order amendment or in a Signed Letter by Supplier Purchasing Vice president, the fact that Seller subcontract any part of goods conforming any order and as a condition to such approval, Seller shall provide Purchaser with written evidence that the subcontractor agrees to be bound by these Terms and Conditions and the Order.

C. In the event Seller cannot fulfill any of its obligations under any Order, Seller shall, at Purchaser's option and in addition to any other rights or remedies available to Purchaser under the Order or otherwise, assign to Purchaser all of Seller's rights with respect to any subcontractors under such Order.

24. Nonconforming Goods. Purchaser, at its option, may reject and return at Seller's risk and expense, or retain and correct, Goods received pursuant to any Order that fail to conform to requirements of Order even if the nonconformity does not become apparent to Purchaser until the manufacturing, processing or assembly stage or later. To the extent Purchaser rejects Goods as nonconforming, stipulated quantities under the Order will not be reduced by the quantity of nonconforming Goods unless Purchaser otherwise notifies Seller in letter. Seller shall replace nonconforming Goods with conforming Goods unless otherwise notified by Purchaser's letter, including, by way of a cancelling notice from Purchaser under Section 17.A. Nonconforming Goods will be held by Purchaser for disposition in accordance with Seller's written instructions at Seller's risk. Seller's failure to provide written instructions within ten (10) days (or such shorter period as may be commercially reasonable under the circumstances) after notice of nonconformity shall entitle Purchaser, at Purchaser's option, to charge Seller for storage and handling, or to dispose of the Goods without any liability of Purchaser to Seller. Seller shall reimburse Purchaser for (a) any amounts paid by Purchaser on account of the purchase price of any rejected nonconforming Goods, and (b) any costs incurred by Purchaser in connection with the nonconforming Goods, including, inspection cost, sorting, testing, evaluations, storage or rework, within ten (10) days after a debit memo for the costs has been issued by Purchaser. Payment by Purchaser for nonconforming Goods shall not constitute an acceptance, limit or impair Purchaser's right to assert any legal remedy, or relieve Seller's responsibility for latent defects.

25. Indemnification.

A. Seller hereby covenants and agrees to indemnify and hold harmless Purchaser, its affiliates and subsidiaries, and their respective directors, officers, employees and agents from any claims, liabilities, damages (including direct and indirect damages), costs

and expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) (i) incurred in connection with any claims (including lawsuits, administrative claims, regulatory actions and other proceedings to recover for personal injury or death, property damage or economic losses) that are related in any way to or arise in any way from the Goods, Seller's representations, Seller's performance of or failure to perform obligations under any Order, including claims based on Seller's breach or alleged breach of warranty (whether or not the Goods have been incorporated into Purchaser's products and/or resold by Purchaser), and claims for any violation of any applicable law, ordinance or regulation or government authorization or order. Seller's obligation to indemnify will apply regardless of whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise, except to the extent of any such liability arising solely out of the gross negligence of Purchaser. Seller's indemnification obligations will apply even if Purchaser furnishes all or a portion of the design and specifies all or a portion of the processing used by Seller unless a separate Letter agreement signed by Seller and Supplier Purchasing Vice president provides otherwise.

B. If Seller performs any work on Purchaser's premises or utilizes the property of Purchaser, whether on or off Purchaser's premises, Seller shall indemnify and hold harmless Purchaser, its affiliates and subsidiaries, and their respective directors, officers, employees and agents from and against any liabilities, claims, demands or expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments); (i) for damages to the property of or injuries (including death) to Purchaser, its employees or any other person arising from or in connection with Seller's performance of work or use of Purchaser's property except to the extent of any such liability, claim or demand arising solely out of the gross negligence of Purchaser. (ii) Be the result or derive from the services given by the Seller to the Buyer, including those that could arise from the obligations assumed by the Buyer with relation to his personnel in conformity with the labour local regulations and from the social assurance.

The Buyer and the Seller are independent parts. Except contrary disposition in these Terms and conditions, the Seller neither will act nor will be considered to act as an agent, employee, franchisee, commercial ally, associate or legal representative of the Buyer. Except contrary disposition in this Agreement, the Seller neither will have nor will show off to have no type of authority to act in name of the Buyer. The Seller will assume any kind of obligation that arises from the labour local legislation and from the laws of the social assurance or differently, with regard to his personnel or agents. By the present the Seller agrees to indemnify and to free the Buyer against all the claims, costs, damages and prejudices, expenses, responsibilities, lawsuits or losses that the personnel or agents of the Seller could present for these effects against the Buyer or any of his feeder industries or related companies, or that the Buyer or any of his feeder industries or related companies had incurred. For the present the Seller declares and guarantees the Buyer who assumes full responsibility for the acts and omissions of his personnel, contracted persons or current or future agents. In addition, by the present the Seller agrees to expire with all the obligations that arise from the labour legislation, from the collective agreements of work or from the laws of the social assurance, the list mentioned only will be enumeration purposes. Hereby, by Buyer request, the Seller will have to: (i) present to the Buyer the Fiscal Number Identification of each one of his personnel; (ii) send to the Buyer the receipts of salary of each one of his personnel; (iii) send to Buyer evidence of the payment of the monthly contributions to the system of social safety; (iv) specify in detail his bank account number (v) present proves to Buyer of the coverage for labour risk of every of one of his personnel.

26. Insurance. Seller shall obtain and maintain insurance coverage customary in the industry and as otherwise required by law or reasonably requested by Purchaser with insurance companies and in such amounts as are reasonably acceptable to Purchaser. This

includes, providing full fire and extended coverage insurance for the replacement value of (i) all Seller's Property and (ii) any Bailed Property, both for their full replacement value. All such insurance coverage shall name Purchaser as loss payee and additional insured. Seller shall issue for Purchaser Insurance Certificates setting forth the amount of coverage, policy number and date of expiration for insurance maintained by Seller and such certificates must be provided to Purchaser thirty (30) days prior written notification from the insurer of any cancel or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under any Order. If Seller shall fail to maintain any insurance under any Order, Purchaser shall have the right to procure such insurance and Seller shall reimburse Purchaser on demand, for all actual costs and expenses of procuring such insurance.

27. Compliance.

A. Seller agrees to comply with all federal, state, local and foreign laws, Executive Orders, rules, regulations and ordinances that may be applicable to Seller's performance of its obligations under each Order, and each Order shall be deemed to incorporate by reference all the clauses required by the provisions of laws, orders, rules, regulations and ordinances. All purchased materials used in manufacture of the Goods shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. All suppliers must be in compliance with ISO14001, TS16949 and ELV or their successors, as amended from time to time.

B. Seller shall not (i) utilize forced or involuntary labor, regardless of its form, (ii) employ any child, except as part of government approved job training, learning or similar program, or (iii) engage in abusive employment or corrupt business practices, in the supply or provision of Goods under any Order.

C. Seller shall adopt and enforce a code of conduct for business practices with principles, policies and procedures consistent with the principles, policies and procedures set forth in Purchaser's Code of Business Conduct and Ethics available through links provided on the Lear Corporation web site at www.lear.com. Seller shall promptly report all violations of Seller's code of conduct to Supplier Purchasing Vice president

D. Seller shall provide Purchaser Letter notice immediately upon becoming aware that any director, officer or employee of Seller, or any of its subsidiaries or affiliates, is also a director, officer or immediate family member of any director or officer from Purchaser, or any of its subsidiaries or affiliates. As to employees of Seller only, Seller only needs to report this information to Purchaser if the employee (excluding an officer or director of Seller) is substantively involved in Seller's business relationship with Purchaser or receives any direct or indirect compensation or benefit based on Seller's business relationship with Purchaser.

E. In the event Seller subcontracts any of its duties or obligations under any Order in accordance with Section 23, Seller shall ensure that all subcontractors comply with the requirements under this Section 27. At Purchaser's request, Seller shall certify Letter Seller's and its subcontractor's compliance with all such requirements. Purchaser shall have the right to audit and monitor Seller's and its subcontractor's compliance under any Order. Seller shall indemnify and hold harmless Purchaser, its affiliates and subsidiaries, and their respective directors, officers, employees and agents from and against any liability claims, demands or expenses (including actual fees for attorneys, experts and consultants, settlement costs and judgments) arising from or relating to Seller's or its subcontractor's noncompliance.

28. Production Part Approval Requirements. With respect to Orders for production parts, Seller agrees to meet the full requirements identified in the industry production part approval process manual and agrees to present this information and data relating to Purchaser upon request, regardless of the authorized submission level, at Level No. 3 or its current equivalent unless otherwise authorized by Purchaser on the face of an Order or Order amendment or in a Signed Letter by Supplier Purchasing Vice president.

29. Identification of Goods. All Goods supplied pursuant to each Order that are construed as a completed part shall permanently bear Purchaser's part number and name or code name, Seller's name or code name, and date of manufacture by Seller.

30. Shipping.

A. Seller agrees (i) to properly pack, mark and ship Goods in accordance with the requirements of Purchaser and the involved carrier in a manner to secure the lowest transportation cost; (ii) to route shipment in accordance with Purchaser's instructions; (iii) to make no charge for handling, packaging, storage, transportation (including duties, taxes, fees, etc.), cost of vehicle or other transport expenses or drayage of Goods unless otherwise approved by Purchaser on the face of an Order or Order amendment or in a Signed Letter by Supplier Purchasing Vice president, (iv) provide with each shipment papers showing the Order number, Order amendment or Release number, Purchaser'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 vendor number, bill of lading number and the country of origin; and (v) promptly forward the original bill of lading or other shipment receipt for each shipment in accordance with Purchaser's instructions and carrier requirements. The marks on each package and identification of the Goods on packing list, bills of lading and invoices shall be sufficient to enable Purchaser to easily identify the Goods purchased.

B. For Goods that may contain potentially hazardous and/or restricted materials, if requested by Purchaser, Seller shall promptly furnish to Purchaser in whatever form and detail Purchaser requests (i) a list of all potentially hazardous ingredients in the Goods, (ii) the quantity of one or more such ingredients, and (iii) information concerning any changes in or additions of this ingredients. Before shipping the Goods, Seller agrees to furnish to Purchaser sufficient warning and notice in writing (including appropriate labels on the Goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the Goods, together with such special handling instructions necessary to advise the involved carriers, Purchaser, and their respective employees how to exercise that measure of care and precaution that will best prevent injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers and packing shipped to Purchaser. Seller shall comply with all applicable federal, state, local and foreign laws and regulations pertaining to product and warning labels. If Goods are shipped by Seller to European destinations, before shipments are made, Seller shall notify Purchaser of the "Classification of Dangerous Goods" as required by the European Agreement concerning the "International Carriage of Dangerous Goods".

C. Any wooden packaging (including pallets) must conform to the international softwood standards, including USDA Regulations of Wood Packaging Material Importations. In the event Seller fails to comply with such standards, Seller shall be liable for all related replacement and transportation costs.

31. Customs Drawback Documents, Other Government Requirements, and Export Controls.

A. Upon Purchaser's request, Seller shall furnish promptly all documents required for customs drawback purposes, properly completed in accordance with government regulations applicable referred to. Seller shall, at its expense, provide all information needed (including written documentation and electronic transaction records) relating to the Goods, tooling and equipment necessary for Purchaser to fulfill any customs-related or other Governmental agency-related obligations, origin marks or labeling requirements and certification or local content reporting requirements, to enable Purchaser to claim preferential duty treatment at the time of entry for Goods, tooling and equipment eligible under applicable trade preference regimes, and to make all arrangements that are necessary for the Goods to be covered by any applicable deferral duty or free trade zone program of the country of import. Seller shall, at its expense, provide Purchaser or Purchaser's nominated service provider with all documentation to enable the Goods to be exported, and obtain all export licenses or authorizations necessary for the export of Goods, tooling and equipment unless otherwise indicated in Order, in which event Seller shall provide all information as may be necessary to enable Purchaser to obtain such licenses or authorizations. Credits or benefits resulting or arising from any Order, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Purchaser.

B. Seller is responsible for any incorrect information provided by Seller or any noncompliance with the Brazilian Customs Regulations that results in penalties and/or additional duties for Purchaser. Seller also accepts and agrees to respect all the procedures of safety demanded by any in force legislation. Seller will share with the Buyer any information of audit or inspection related to this one.

32. Invoices. All invoices and/or advanced shipping notices ("ASN") for Goods shipped pursuant to each Order must reference the Order number, Order amendment or Release number, Purchaser's part number, Seller's part number where applicable, quantity of pieces of shipment, number of cartons or containers, Seller's name and number, and bill of lading number, before any payment will be made for Goods by Purchaser. In addition, no invoice may reference any term separate from or different than these Terms and Conditions or the terms that appear on the face of the Order. Purchaser reserves the right to return all invoices or related documents submitted incorrectly. Payment terms will begin to run once the latest correct invoice or ASN is received and input into Purchaser's system by the applicable Purchaser facility. Any payment by Purchaser of a nonconforming invoice is not an acceptance of any nonconforming element or terms on such invoice.

33. Payment Terms.

A. Payment terms will be set for Seller on Purchaser's central payables system (CPS) If Seller is included Buyer's payments system. If Seller is not a Seller CPS, the payment conditions are D65. D65 means that the inwards invoices throughout the fifteenth day of a certain month will be paid the fifth day of the following month.

B. If a payment date falls on a non-business day, payment will occur on the following business day.

C. Despite of the particular payment terms applicable to an Order, (i) in no event will Seller have a right to payment for Tooling before Purchaser is paid by its Customer for such Tooling, (ii) in no event Seller who is a Directed Supplier has a right to receive payment

from Purchaser until Purchaser is fully paid by Purchaser's Customer for the related Goods or, as applicable, the goods into which Goods are incorporated, and (iii) Purchaser may, at its option, upon notice to Seller, revise its payment terms for production Goods to take into account any change in the payment terms of Purchaser's Customer applicable to the Goods under any Order.

34. Setoff and Contractual Recoupment.

A. In addition to any right of setoff or recoupment provided or allowed by law, all amounts due to pay to Seller, or any of its subsidiaries or affiliates shall be considered net of net due debts or obligations of Seller, or any of its subsidiaries or affiliates to Purchaser or any of its subsidiaries or affiliates, and Purchaser or any of its subsidiaries or affiliates may setoff against or recoup from any amounts due or to become due from Seller, or any of its subsidiaries or affiliates to Purchaser or any of its subsidiaries or affiliates however and whenever arising. In the event that Purchaser or any of its subsidiaries or affiliates reasonably feels itself at risk, Purchaser or any of its subsidiaries or affiliates may withhold and recoup a corresponding amount due to Seller or any of its subsidiaries or affiliates to protect against such risk.

B. An "affiliate" of a party means any other company that controls, is controlled by, or is under common control with such party. For purposes of definition, the term "control" means the ownership, directly or indirectly, of twenty percent (20%) or more of the capital or equity of a company or the ability, by voting securities, contract or otherwise, to elect a majority of the board of directors or other governing body of such company.

C. If an obligation of Seller or any of its subsidiaries or affiliates to Purchaser or any of its subsidiaries or affiliates is disputed, contingent or unliquidated, Purchaser or any of its subsidiaries or affiliates may defer payment of all or any portion of the amount due until such obligation is resolved. Without limiting the generality of the foregoing and way of example only, in the event of a bankruptcy of Seller, if all of the Orders between Purchaser and Seller have not been assumed, then Purchaser may defer payment to Seller for Goods against potential rejection and other damages.

35. Advertising. Seller shall not refer to Purchaser in advertising or public releases without the prior approval in a Signed Letter by Supplier Purchasing Vice president and shall not use Purchaser's trademarks or trade names in advertising or promotional materials.

36. Force Majeure. Any delay or failure of Purchaser or Seller to perform its obligations under the Order will be excused if, and to the extent that, the party is unable to perform specifically due to an event or occurrence beyond its reasonable control and without its fault or negligence, such as: acts of God; restrictions, prohibitions, priorities or allocations imposed or actions taken by a governmental authority; embargoes; fires; explosions; natural disasters; riots; wars; sabotage; or inability to obtain power. As soon as possible (but no more than one full business day) after the occurrence, Seller shall provide written notice describing such delay and assuring Purchaser of the anticipated duration of the delay and the time that the delay will be cured. During the delay or failure to perform by Seller, Purchaser may at its option: (a) purchase Goods from other sources and reduce its Releases to Seller by such quantities, without liability of Purchaser to Seller and require Seller to reimburse Purchaser for any additional costs to Purchaser because of obtaining substitute Goods compared to the prices set on the Order; (b) require Seller to deliver at Purchaser's expense all finished Goods, work in process and parts and materials produced or acquired for work under the Order; or (c) require Seller to provide Goods from other sources in quantities and at a time requested by

Purchaser and at the price set on the Order. In addition, Seller at its expense shall take all actions deemed reasonably necessary by Seller to ensure that in the event of any anticipated labor disruption, strike or worker slowdown or resulting from the expiration of Seller's labor contracts, an uninterrupted supply of Goods will be available to Purchaser in an area that will not be affected by any such disruption for a period of at least thirty (30) days. If upon request of Purchaser, Seller fails to provide within ten (10) days (or a shorter period that Purchaser requires) adequate assurances that any delay will not exceed thirty (30) days or if any delay lasts longer than thirty (30) days, Purchaser may cancel the Order without liability and Seller shall reimburse Purchaser for costs associated with the cancellation. Seller acknowledges and agrees that the change in cost or availability of materials, components or services based on market conditions, supplier actions or contract disputes will not excuse performance by Seller under theories of force majeure, commercial impracticability or otherwise and Seller expressly assumes these risks.

37. Service and Replacement Parts.

A. Upon receipt of a Release, Seller shall sell to Purchaser all Goods necessary for Purchaser to fulfill Purchaser's and its Customer's service and replacement parts requirements for its current year at the current production prices plus any actual net cost differential for required unique packaging. If the Goods are systems, modules or assemblies, Seller shall sell the components or parts of such systems, modules or assemblies at prices that will not exceed the current production price of the system, module or assembly less the costs of labor involved in connection with the system, module or assembly plus any actual net cost differential for required unique packaging.

B. After cancelling of the current model production of the vehicle involved, Seller shall sell to Purchaser Goods necessary for Purchaser to fulfill Purchaser's and its Customers' service and replacement parts requirements for past model years at the prices then specified in the last Order for current model production plus any actual net cost differential for required unique packaging for the first five (5) years of past model service. For the following ten (10) years of past model service or such longer period Purchaser's Customer requires service parts, the prices shall be as specified in the last Order for current model production plus any actual net cost differential for required unique packaging, plus any actual net cost differential for manufacturing costs as mutually agreed between Purchaser and Seller.

38. Packaging. All packaging must conform to Purchaser's standard packaging requirements that are available in the links of the Lear Corporation web site www.lear.com in section Supplier Information.

39. Seller's Claims. Any Seller legal action under any Order must be start within one (1) year after the breach or other event giving rise to Seller's claim, regardless of Seller's lack of knowledge of the breach or other event giving rise to such claim.

40. Severability. If any term of the Order is considered invalid or unenforceable under any statute, regulation, ordinance, executive order or other law rule, such term shall be considered reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule. The remaining provisions of the Order shall remain in full force and effect.

41. Electronic Communications and Signatures. Seller shall comply with any method of electronic communication specified by Purchaser, purchase order transmission, production

Releases, electronic signature, and communication. E-mails, even those containing a signature block of one of Purchaser's representatives shall not constitute a Signed Letter.

42. Notices. All notices, claims and other communications to Purchaser required or permitted under the Order shall be made in writing and sent by certified or registered mail, return receipt requested and proper postage prepaid to the following address and shall be effective only upon receipt by Purchaser: Lear do Brasil Indústria e Comércio de Produtos Automotivos Ltda. Rua Professor Manoelito de Ornellas, 303 1º andar – Chácara Santo Antônio – CEP-04719-040 SP. Brasil Attn: Supplier Purchasing failure to provide any notice, claim or other communication to Purchaser in the manner and within the time periods specified in the Order shall constitute a waiver by Seller of any of all rights and remedies that otherwise would have been available to Seller upon making such notice, claim or other communication.

43. Confidentiality.

A. Seller shall (i) keep all Purchaser information confidential and disclose it only to its employees who need to know such Purchaser's information in order for Seller to supply Goods, tooling, and equipment to Purchaser under the Order and (ii) use Purchaser's Information only for supplying purposes Goods to Purchaser. "Purchaser's information" means all information provided to Seller by Purchaser, or its representatives or subcontractors in connection with the business, programs, and Goods covered by the Order, including pricing and other terms of the Order, specifications, data, formulas, compositions, designs, sketches, photographs, samples, prototypes, test vehicles, manufacturing, packaging or shipping methods and processes and computer software and programs (including object code and source code). Purchaser's information also includes any materials or information that contains, or are based on, any Purchaser's Information, whether prepared by Purchaser, Seller or any other person.

B. Seller shall promptly notify Purchaser if it has provided information to a Government regarding the Goods, tooling or equipment provided including the information offered to the Government of the United States of agreement with the following requirements of reports according to the law of the United States: 49 CFR (Federal Regulations Code) Part 573 (Report on Breach and Faults) and 49 CFR Part 579 (Report of Information and Communications on possible faults).

44. Tooling & Equipment - Supplemental Terms. In addition to the Orders, these Terms and Conditions shall also apply to Free Lease Agreements used in the purchase of tooling and equipment, available on Lear Corporation Web site www.lear.com in section Supplier Information (Free Lease Agreements), in the event of an inconsistency between these Terms and Conditions, the Orders and the Free Lease Agreements, the Free Lease Agreements shall prevail referring to Equipment and Tooling.

45. Service Terms - Supplemental Terms. In addition to being governed by these Terms and Conditions, each Order for the purchase of services unrelated to production Goods shall be governed by the Agreements Services available on Lear Corporation Web site www.lear.com in section Supplier Information (Specific and Basic Conditions); provided that, in the event of an inconsistency between these Terms and Conditions and the Agreements Services, the Agreements Services shall prevail as to all such services unrelated to production Goods.

46. Interpretation. When used in the Order, "including" means "including, without limitation," and terms defined in singular include the plural and vice versa. The headers, titles and numbering are for convenience of reference only and shall not affect the construction or interpretation of the Order.

47. Entire Agreement; Modification. The Order, together with the documents attachments, exhibits or supplements specifically referenced in the Order, constitutes the entire agreement between Seller and Purchaser with respect to the matters contained in the Order and replace all prior oral or written representations and agreements. Purchaser may modify the Terms and Conditions, at any time, by posting notice of such modified Terms and Conditions through links provided on the Lear Corporation web site at www.lear.com under Supplier Information at least ten (10) days prior to any modified Terms and Conditions becoming effective. Seller shall review the Lear Corporation website and the Terms and Conditions periodically. Seller's continued performance under the Order without providing Letter notice to Purchaser in accordance with Section 44 detailing Seller's objection to any modified Terms and Conditions prior to the effective date of such modified Terms and Conditions will become effective will constitute Seller's acceptance of such modified Terms and Conditions. Except as provided in the preceding sentences or as in these Terms and Conditions, Order may only be modified by an Order amendment or a Signed Letter by Supplier Purchasing Vice president.

48. Governing Law; Jurisdiction; Law. Each Order shall be regulated by the laws of The Republic Argentina without bearing in mind any applicable conflict of the regulations of laws. The Convention of the United Nations on the International Sale of Products is expressly excluded. Any dispute relating to these Terms and Conditions or to an Order shall be submitted to the Courts of São Paulo, State of São Paulo, with the express waiver of any other, no matter how privileged.

49. Imposed on the stamp. If Taxes are applied to the sealed one to an Order, Seller and Buyer will pay each one 50 % (fifty per cent) of these taxes.

50. Arbitration. All the conflicts that arise in conformity with any Order or in relation with her or with any other document that concerns to an Order they will have to be solved definitively by means of arbitration in Southfield, Michigan, before the only umpire designated by the American Association of Arbitration (" A.A.A. ") whose arbitration will be carried out according to the procedure of commercial arbitration of the A.A.A. that they find in force to the moment to issue the Order, providing that the spreading is allowed in conformity with the Federal Rules of Civil Procedure of the United States. The decision of the umpire will belong definitive and binding for Buyer and Seller, will not be appealable and the arbitral expressed award will be able to register in any court of competent jurisdiction. The umpires will not have authority to decide if it corresponds to pay for punitive damages or other damages not quantified by the effective damages of the Seller part. Each of the parts will be responsible in equal parts for the costs and the expenses of the AAA and of the umpire. Each part will pay for their own costs and expenses. The breach for one of the parts of the payment of the corresponding honorarium for arbitration constitutes a resignation of the above mentioned part to his claim or defense in arbitration. All the procedures of arbitration will be confidential, except in the measure in which the spreading is necessary to demand the fulfillment of an award of arbitration in a court of competent jurisdiction. Without prejudice of any contrary disposition, the Buyer will have the right, without resigning any resource in conformity with the Order, to look in any court of competent jurisdiction (a) a repair that

derives from Equity's regime and (b) a preliminary or provisional repair that is necessary to protect the rights or the property of the Buyer.

51. Resigns judgment by means of juror. THE BUYER AND THE SELLER ADMIT THAT THE RIGHT TO JUDGMENT MEANS OF JUROR IS A CONSTITUTIONAL LAW, BUT THAT CAN RESIGN HIM. BOTH THE BUYER AND THE SELLER, AFTER RECEIVING ADVICE (OR OF HAVING THE OPPORTUNITY TO TAKE ADVICE) GIVES AN CHOSEN ATTORNEY, CONSCIOUS, VOLUNTARY RESIGNATION AND INTENTIONALLY TO ANY RIGHT OF JUDGMENT BY MEANS OF JUROR IN ANY ACTION OR LEGAL PROCEDURE THAT ARISES OR THAT RELATES TO ANY ORDER OR DOCUMENT THAT CONCERNS TO AN ORDER.