



YAPP USA Automotive Systems, Inc.

Blanket Purchase Order Additional Terms & Conditions

As used herein, "Seller" means the entity identified as the seller, supplier or provider of Supplies on the face of the Blanket Purchase Order. Unless otherwise set forth herein, all capitalized terms used herein without definition shall have the meanings given to such terms in YAPP USA Automotive Systems, Inc. Purchase Order Terms and Conditions (the "Terms and Conditions").

Prior to a first shipment of production parts, a PPAP package must be approved to Level 3, AIAG 4th Edition PPAP manual and the corresponding OEM customer specific PPAP requirements and agree to be bound by them.

It is Seller's responsibility to acquire, compile, and report material composition data to IMDS ID #51589 via www.mdsystem.com.

In addition to its other rights of termination hereunder, including those provided in the Terms and Conditions, YAPP USA Automotive Systems, Inc. ("YAPP") may terminate this Blanket Purchase Order without liability to Seller if Seller fails to meet any of the requirements of YAPP or its customer in connection herewith, including but not limited to requirements respecting Quality, Delivery Improvement or Price.

We expect zero incidents, zero defects and zero disruptions.

BLANKET PURCHASE ORDER CLAUSES

1. By providing production parts to any YAPP facility, Seller acknowledges the YAPP Supplier Quality Manual and all applicable OEM customer specific requirements and agrees to be bound by them.
2. If Seller makes no objection to the blanket purchase order within 10 calendar days, Seller automatically agrees to the terms and conditions therein.
3. All future releases/planning schedules will be issued by YAPP's purchasing department, and delivery dates shown are FOB pick-up or delivery dates as shown on YAPP' Blanket Purchase Order or schedule agreement.
4. YAPP facility may request Seller to provide a "Certificate of Compliance" to the Quality Department. This certificate may contain one or more of the following information:
 - a) Production identification
 - b) Specification(s) to which the product was inspected
 - c) Number of observations
 - d) Results of observations
 - e) Statistical Data
 - f) Signature and Title of responsible official

Failure to supply the required certification with each and every shipment or as agreed will result in a \$200.00 (non-refundable) administration charge debited to Seller's account.

5. Each container must be identified by use of a bar coded label or tag must contain the following information:
 - a) YAPP's part number
 - b) OEM part numbers, description and if assigned, suffix & engineering change level.
 - c) Standard pack quantity and unit of measure
 - d) Serial number
 - e) YAPP facility blanket purchase order number
 - f) Supplier Number
 - g) Supplier Name & address

Items a, c, d, e & f are the minimum requirements to be encoded when using AIAG bar code labels.

6. Excess freight charges resultant from supplying late or nonconforming goods or using unauthorized carriers will be borne by Seller.
7. If Seller is EDI & ASN capable, Seller must transmit an EDI for each shipment before a shipment is received at YAPP facility.
8. Every shipment must have a packing list.



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9. When shipment is received at YAPP facility, the actual shipment must match the packing slip issued by the Seller.
10. Any non-compliance with items #7, #8, and #9, will result in a \$200.00 non-refundable administration charge per each part number contained within the shipment and it will be debited to Seller's account.
11. YAPP will reject all invoices if the price exceeds agreed upon cost on the Blanket Purchase Order (or Schedule Agreement) without prior authorization from the YAPP facility.
12. Pending negotiations, 180 days written notice is required before any price increase is authorized. YAPP has sole discretion to permit or prohibit any price increase.
13. YAPP in-house part numbers, blanket purchase order number, and release number, if applicable, must appear on all documents, i.e.: packing slips, bill of lading, custom papers, invoices, etc.
14. Premium charges incurred by YAPP and from YAPP's customers, resulting from late shipments or quality issues will be debited to Seller's account.
15. Small parts and standard hardware, such as nuts, bolts, screws, clips and washers must be packaged and shipped in individual containers not to exceed thirty-five (35) lbs.
16. For all imported goods, the following paper is required:
 - a) U.S. custom invoices in quadruplicate
 - b) U.S. export declaration in quadruplicate
 - c) Above documents must be attached to carrier's bill of lading
 - d) U.S. custom invoices and bill of lading must be clearly marked
"Notify YAPP's custom broker (Livingston) or
his appointed agent as point of entry."
 - e) NAFTA certificate is required if product is imported. Failure to provide certification could result in fines from customs. Seller can provide a blanket certificate of a period of one (1) year. If certificate is fraudulent and additional duties are incurred, all related costs will be charged back to the Seller.
17. Tooling is the property of YAPP and/or YAPP's customer, and is to be used for the purpose of producing parts for YAPP. Maintenance of all tools in good working order is Seller's complete responsibility.
18. YAPP and/or its customer shall be afforded the right to access Seller's site and/or its sub-supplier's site for the purpose of conformity to specified requirements.
19. Seller shall comply with all OEM requirements, including but not limited to, records retention and safety component requirements.
20. Seller shall provide full traceability to all raw materials used.
21. Seller shall commit to 100% on-time delivery.
22. All purchased materials used in part manufacture shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials; as well as, environmental, electrical and electromagnetic considerations applicable to North America.
23. All purchased materials must be accompanied by an international materials database system submission to show chemicals and percentage of chemicals present. International materials database system information can be obtained via YAPP engineering contacts or IMDS service center North America 1-717-506-1461 or Europe 49-0-421-52-56-666 or via email at imds-eds-helpdesk@eds.com or imds-eds-helpdesk-nao@eds.com.
24. Certification: Third party registration to ISO 9001:2008 is required as a minimum.
25. Supplier agrees with the 15 years of aftermarket (service) responsibility following EOP (End of Production). Pricing is firm during the first 5 years after EOP, and same as production pricing. After the end of 5th year, pricing can be updated to a reasonable and mutually agreed-on level to accommodate lower volume requirements.

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