

**Federal-Mogul
Equipment Rider
North America**

- 1. Applicability.** This Equipment Rider applies to each Order issued by the applicable Federal-Mogul subsidiary (“Buyer”) for the purchase of equipment, machinery, dies, molds, patterns, jigs, fixtures, and/or tooling and any related installation, maintenance, warranty or other services (collectively, “Equipment”) and is incorporated by reference in the *Federal-Mogul Terms and Conditions of Purchase* (“Terms”). Capitalized terms used in this Equipment Rider but not defined herein shall have the meanings given to them in the Terms. Although defined separately, Equipment is included within the definitions of “Goods” and “Tooling” for all purposes under the Terms.
- 2. Representations and Warranties.** Supplier represents and warrants to Buyer, to Buyer’s successors, assigns and Customers, and to users of Buyer’s products, that (a) the Equipment and Supplier’s manufacture and sale thereof shall comply with all applicable federal, state, local and foreign laws, statutes, regulations and orders and with all guidelines, standards, requirements, policies and procedures of Buyer; (b) all Equipment will conform to, and be capable as performing as described in, all specifications, standards, manuals, drawings, samples or descriptions specified in the Order or otherwise furnished to or by Buyer or Buyer’s customer (“Specifications”); (c) Supplier has, and will maintain at all times during which an Order is in effect, at Supplier’s sole expense, all necessary permits, consents, approvals, and licenses necessary to allow Supplier to manufacture and sell to Buyer the Equipment; (d) all Equipment supplied to Buyer shall be equipped with approved or appropriate fail-safe safeguarding and other safety systems or precautions as required by applicable law, regulation or industry standard or as otherwise may reasonably be expected by Supplier; (e) the Equipment will operate safely at quoted production rate and/or cycle times for the stated expected useful life if Buyer follows the preventative maintenance plan proposed by Supplier; and (f) be designed and fabricated to be capable of reliably manufacturing all production and service requirements of the relevant products through the production life of the applicable vehicle program(s) and all service requirements after the end of serial production of the applicable vehicle program(s). These Equipment warranties are in addition to any and all other warranties applicable to Goods under any Order. The term of these Equipment warranties shall be 36 months after successful installation and acceptance of the Equipment. Supplier’s liabilities with respect to any breach of the foregoing Equipment warranties shall include, without limitation, payment of all inspection, testing, parts, labor and transportation costs in the event the Equipment must be returned to Supplier for inspection, testing, repair or replacement. In addition to the foregoing warranties, Supplier shall promptly assign to, and use its best efforts to assist Buyer in the enforcement of, any and all warranties granted to it by third-party suppliers or manufacturers with respect to the Equipment or any software, materials, supplies or component parts contained in or used in connection with the Equipment.
- 3. Inspection and Rejection.** Buyer is not required to perform incoming inspections of any Equipment, and Supplier waives any right to require Buyer to conduct any such inspections. Notwithstanding the foregoing, Buyer shall have the right to inspect and test all Equipment at all times and places including, when practicable, during manufacture. If any such inspection or test is made on Supplier’s premises, Supplier shall furnish all reasonable facilities and assistance for a safe and convenient inspection or test without additional charge to Buyer. Buyer’s inspection of the Equipment, no matter when occurring, shall not constitute acceptance of any work-in-process, finished goods or Equipment. Notwithstanding prior inspection, payment for, or use of the Equipment, Buyer shall have the right to reject any Equipment that does not conform to the Specifications.
- 4. Installation.** Supplier agrees that, at no additional charge, Supplier shall assist Buyer in the installation of any Equipment purchased under each Order. Supplier shall comply with each written installation schedule provided by Buyer specifying the installation timetable and the roles of each party in the installation process.
- 5. Preventative Maintenance.** Supplier agrees to provide Buyer with a complete and comprehensive preventative maintenance plan for Equipment prior to final acceptance at Buyer’s facility. The preventative maintenance plan shall include, but not be limited to, at least one complete set of English language maintenance and operating manuals for all Equipment purchased by Buyer and, if required by Buyer,

additional sets of such manuals written in any foreign language specified by Buyer, as well as a detailed bill of material.

- 6. Software.** Supplier grants to Buyer a permanent, paid-up license to use, repair, modify and sell any software incorporated in the Equipment in conjunction with the use or sale of the Equipment. In addition, all works of authorship, including without limitation, software, computer programs and databases (including object code, micro code, source code and data structures), and all enhancements, modifications, updates and derivative works thereof and all other written work products or materials, which are created in the course of performing the Order, separately or as part of any Equipment and components, are “works made for hire” and the sole property of Buyer. To the extent that such works of authorship do not qualify under applicable law as works made for hire, Supplier hereby assigns to Buyer all right, title and interest in any intellectual property rights in such works of authorship. If such assignment is not possible under any applicable law, Supplier hereby grants a perpetual, irrevocable, transferrable, exclusive, worldwide royalty-free license to Buyer with respect to such works of authorship. Promptly upon request by Buyer, Supplier agrees to escrow, pursuant to an escrow agreement with a third party mutually acceptable to Buyer and Supplier, a complete copy of (a) the source codes for any software incorporated in the Equipment purchased by Buyer from Supplier along with any additional information reasonably necessary so that a trained programmer of general proficiency may maintain and support any such software and (b) a running object code version of such software. The escrow agreement will provide Buyer with full and immediate access to the foregoing items without charge in the event of a Supplier insolvency, bankruptcy, receivership, or assignment for the benefit of its creditors.
- 7. Training and Documents.** Supplier shall provide, at no additional cost to Buyer, any and all on-site training, as well as any and all drawings, manuals, materials, and any other documentation necessary for the proper functioning, use, and maintenance of the Equipment to Buyer prior to or contemporaneously with delivery of the Equipment. Supplier shall provide training in the amount and on such schedule as shall be reasonably required by Buyer.
- 8. Spare Parts.** Supplier shall supply and deliver spare parts to Buyer, at the Supplier’s own expense, where Buyer makes a request for such spare parts within the warranty period.

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