



Production Tools:

Buyer requires that all suppliers be tooled (defined as total system throughput) and capable of producing the daily capacity rate in one production day. The suppliers operating plan must demonstrate the ability to meet the daily Run @ Rate and Service parts schedule requirements (including downtime for preventative maintenance) in one production day. The supplier must also support the maximum capacity rate (defined as the daily capacity rate plus 15%) without additional capital investment (including additional tooling) on a sustained basis. The Buyer must approve any operating plan that exceeds one production day to produce the daily capacity rate and/or does not support the maximum capacity rate.

Production Tool Possession:

All molds, tools, dies, fixtures and other items (collectively, "tools") covered by this order shall be the property of Buyer and shall be permanently and legibly marked in such a manner as to denote that the tools are the property of Buyer. You will be contacted by Buyer on the specific tagging and documentation requirements. The tools shall be used for manufacture of parts exclusively for Buyer. The tools shall be stored and maintained by Seller at no expense to Buyer and shall be subject to shipment to Buyer's authorized point of receipt upon notification by Buyer. Tool replacement and maintenance cost due to wear is the responsibility of Supplier. Seller hereby agrees to retain the molds, tools, dies, fixtures and other items described above for a period of 15 years after end of production and thereafter to return, transfer to another location or to remit the proceeds of the sale for scrap to the Buyer's Director of Global Supply Management as so instructed by Buyer.

Invoice for Production Tools:

- 1) To comply with IATF16949 and our customer requirements, final invoice for tools will not be accepted until requested tooling documentation requirements have been provided to and approved by Buyer.
 - 2) Supplier shall invoice for tooling after supplier's receipt of full PPAP (production part approval process) AND Run-at-Rate approval.
 - 3) Tooling invoice date shall not be earlier than the PPAP Warrant approval date.
 - 4) Supplier shall attach an approved PPAP Warrant (PSW) to the tooling invoice
 - 5) Send invoice and signed PSW to e-mail: nexteer.indirect.invoices@nexteer.com
- Failure to comply with the above requirements will result in your invoice being rejected and returned.