

MEMA Original Equipment Suppliers

Form of Directed Buy Agreement

**Updated in September 2021
Rebranded to MEMA OE Suppliers in June 2023**

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MEMA OE SUPPLIERS FORM OF DIRECTED BUY AGREEMENT**Introductory Comments**

In normal business situations, buyers and sellers of component parts are free to determine with whom and on what terms they will do business. The so called "directed buy" arrangements utilized by OEMs alter this dynamic because OEMs, on account of various commercial considerations, "direct" the Tier One to do business with the Tier Two as a condition of award of OEM business to the Tier One. As a result, the Tier One is required to do business with the Tier Two selected by the OEM on business terms that are negotiated between the OEM and the Tier Two directly. The Tier One neither participates in nor has a say in either the selection of the Tier Two or the commercial terms on which the Tier One will purchase parts from the Tier Two. Because of the direct negotiation of the arrangement between the OEM and the Tier Two, there are a number of business issues that arise in the administration of this arrangement over the life of a parts program.

The commercial complexities inherent in the directed buy relationship, together with the lack of agreements currently in use by OEMs that provide for a clear allocation of responsibility, result in the potential for disagreement, confusion, and friction among all three parties. The Directed Buy Committee of the MEMA OE Suppliers has explored many of the issues that arise in the context of administering a three party arrangement among the OEMs, Tier One and Tier Two suppliers. The product of this exercise is the following form of Directed Buy Agreement that attempts to examine the issues and provide for a possible approach in allocating clear responsibility for the major issues that arise in this situation. The drafters considered the needs and interests of each of the parties, and attempted to apply basic concepts of fairness and good faith to navigate the challenges of these three party relationships. There is no one correct approach that fits all situations. As a result, this work product is intended merely as one possible approach to educate, create awareness and suggest possible solutions to the difficulties presented for all parties by the directed buy relationship. It is MEMA OE Supplier's goal to provide a tool for suppliers involved in these supply situations which will attempt to clarify and address up front the roles and responsibilities of each of the parties involved so as to diminish the prospect for disputes in the future. MEMA OE Suppliers does not, however, endorse this particular agreement as the "model agreement" for directed buy situations and each party involved must take into account its unique commercial situation and determine its individual approach.

For purposes of this document, the three parties are referred to as the "OEM" "Tier One" and "Tier Two". The "Tier One" and "Tier Two" suppliers are collectively referred to in this agreement as "Suppliers". The Component Parts supplied by Tier Two are referred to as "Directed Components". The Component Parts supplied by Tier One are referred to as "Component Parts".

USE OF THE DRAFT FORM IS ENTIRELY VOLUNTARY. Buyers and sellers are always free to negotiate whatever terms or conditions they wish in any specific situation. Each buyer and seller should independently decide whether the terms and conditions offered in the form are appropriate for the company and the transaction. Under no circumstances should buyers or sellers discuss with their competitors the specific terms and conditions they should adopt in particular negotiations, or agree collectively not to deal with a company refusing to adhere to specific terms and conditions. The decision to use or not to use any part of the form in any negotiation should be made unilaterally.

Background

A. Tier One has agreed to supply the OEM with its requirements of Component Parts in accordance with the terms of this Agreement and the OEM Purchase Orders (defined below).

B. As a condition of OEM's award to Tier One of the OEM Purchase Order for the supply of Component Parts, OEM has directed Tier One to purchase from Tier Two its requirements of Directed Components.

C. OEM has selected Tier Two to supply the Directed Components on account of Tier Two's **[insert OEM rationale for selection of Tier Two]** and has negotiated directly with Tier Two certain commercial terms on which Tier Two will supply to Tier One the Directed Components.

D. OEM is satisfied that Tier Two is capable of fulfilling all prelaunch, launch and postlaunch responsibilities in respect to the Directed Components.

E. In accordance with the OEM agreement with Tier Two (in a separate nomination letter attached as **Exhibit A**) and Tier One (in a separate notification letter attached as **Exhibit B**) [(together, the "**Directed Buy Letters**")], and in accordance with the terms of this Agreement, the Directed Buy Letters, and the Tier One Purchase Orders (defined below), Tier Two has agreed to supply Tier One and Tier One, at the direction of OEM has agreed to purchase, the requirements of certain Directed Components.

F. OEM, Tier One, and Tier Two are entering into this Agreement to document the parties' agreement with respect to their commercial relationships, including, without limitation, the Directed Components' and Component Parts' pricing, quality, and performance.

The parties, therefore, agree as follows:

1. **Terms and Conditions.**

- 1.1 **Effectiveness; Term.** This Agreement will be effective upon the parties' delivery of their respective signatures to this Agreement (the "**Effective Date**"). Except as otherwise provided in this Agreement or the parties' subsequent mutual written agreement, the Agreement's term expires on the earlier of when the OEM Purchase Orders (as defined below) (a) expire or (b) are terminated in accordance with their terms by OEM (the "**Term**"). If the OEM cancels or otherwise terminates the vehicle program to which the Component Parts relate, then this Agreement will also expire and the parties' rights and obligations, if any,

will be governed by the terms of the OEM Purchase Orders and the Tier One Purchase Orders, respectively. Obligations under this Agreement which arise during the Term, or any obligations expressly stated to survive its expiration or termination, will be unaffected by the expiration of this Agreement.

2. **Agreements Priority.**

- 2.1 **OEM Purchase Orders.** OEM will issue to Tier One, one or more purchase orders consistent with the terms of this Agreement and the Directed Buy Letters under which Tier One will manufacture and supply OEM with OEM's requirements of Component Parts (the

- “OEM Purchase Orders”**). Except as may be otherwise agreed in writing between OEM and Tier One, Tier One will accept the OEM Purchase Orders in accordance with their terms.
- 2.2 **Tier One Purchase Orders**. Tier One will issue to Tier Two one or more purchase orders consistent with the terms of this Agreement and the Directed Buy Letters under which Tier Two will manufacture and supply Tier One with Tier One's requirements of Directed Components to fulfill Tier One's requirements of Component Parts for OEM (the **“Tier One Purchase Orders”**). Tier Two will accept the Tier One Purchase Orders. OEM's General Terms and Conditions of Purchase (the **“GTC”**), attached as **Exhibit C**, will apply to the Tier One Purchase Orders as though the GTC were incorporated into and form a part of the Tier One Purchase Orders, with Tier One as the “Buyer” and Tier Two as the “Seller.” Further, the GTC will control to the extent of any conflict between the GTC and the terms of the Tier One Purchase Orders. The Tier One Purchase Orders will have the same payment terms as set forth in the OEM Purchase Orders.
- 2.3 **GTC Application to Tier Two**. Unless the Tier Two Directed Buy Letter expressly provides to the contrary, Tier Two will be directly liable to OEM under the provisions of OEM's GTC as though OEM were the “Buyer” and Tier Two were the “Seller” of the Directed Component under the GTC. Except as otherwise agreed, the Tier Two is directly responsible to OEM as if Tier Two were an original party to such GTC with OEM.
- 2.4 **RASIC**. The RASIC charts attached to this Agreement as **Exhibit D** are incorporated into this Agreement and are binding on the parties. The parties' respective obligations are set forth in the RASIC chart.
- 2.5 **Other Agreements**. Except as provided in section 2.4, to the extent of any conflict between this Agreement and any agreements between OEM and Tier One (including the OEM Purchase Orders), or Tier One and Tier Two (including the Tier One Purchase Orders), this Agreement's terms control.
- 3. Directed Component Pricing**. The initial price for each Directed Component will be as agreed between OEM and Tier Two (as amended from time to time, the **“Directed Component Pricing”**). The Directed Component Pricing will be reflected in the Tier One Purchase Order [**and is exclusive of any applicable (i) sales, use, excise, value added tax, goods and services tax or similar taxes and (ii) tariffs, duties or similar customs tax obligations relating to the production, manufacture, sale, transport or delivery of the Directed Components, which costs shall be the sole responsibility of OEM (and any trade credits, export credits or similar refunds resulting or otherwise arising from such activities will belong to OEM)**]. Thereafter, OEM and Tier Two may from time to time negotiate increases or decreases in the Directed Component Pricing. OEM will provide Tier One with at least [] days' written notice of a change in Directed Component Pricing and will issue to Tier One amended OEM Purchase Orders with a price that has been adjusted in an amount equal to the increase or decrease in the Directed Component Pricing. Upon receipt of amended OEM Purchase Orders, Tier One, in turn, will issue to Tier Two amended Tier One Purchase Orders that reflect the amended Directed Component Pricing. In the event of any overpayments/underpayments on account of amended Directed Component Pricing, OEM will resolve any such overpayment/underpayment issues within [] days of receipt of written notification from Tier One and/or Tier Two, as applicable, identifying in reasonable detail the nature of the dispute concerning Directed Component Pricing. Notwithstanding anything to the contrary contained in this Agreement or the Tier One Purchase Orders, Tier Two agrees that it may not suspend performance on account of issues

arising out of or relating to Directed Component Pricing without first exhausting all remedies available to Tier Two under this Agreement.

4. Supplier Performance / Quality.

4.1 Prelaunch Activities. The OEM will provide to each of Tier One and Tier Two its standard process and procedures for prelaunch and launch activities relating to the Component Parts. Tier One and Tier Two agree to reasonably cooperate with (a) the OEM in taking those actions necessary to facilitate achieving the OEM's launch timeline for the Component Parts and (b) with each other in order to perform those responsibilities necessary to achieve the timely launch of the Component Parts.

4.2 Disputes. If a dispute arises between the Tier One and Tier Two regarding the degree to which a performance issue is allocable to Tier One or Tier Two, either Supplier may submit the dispute to OEM for a determination. OEM will timely issue its written determination allocating responsibility for the performance issue between the Suppliers. If either Supplier disagrees with OEM's determination, it may invoke the dispute resolution procedure set forth in section 8 below. Tier One will provide to OEM all of the Tier Two performance data that it collects, which must be sufficient to allow OEM to evaluate the degree to which a performance issue is attributable to either Tier One or Tier Two.

5. **Force Majeure.** No party shall be deemed to have breached this Agreement, the OEM Purchase Order(s) or the Tier One Purchase Order(s), or be otherwise liable or responsible to any other party for any failure or delay in fulfilling or performing any term of this Agreement, the OEM Purchase Order(s) or the Tier One Purchase Order(s) (excluding, in each case, any payment obligations), when and to the extent such failure or delay is caused by

or results from acts beyond the affected party's reasonable control without the affected party's fault or negligence, including, without limitation, the following events (each, a "**Force Majeure Event**"): (A) acts of God, floods, windstorms, fires, earthquakes, explosions or other disasters, calamities or catastrophes; (B) perceived or actual pandemics, epidemics or other outbreaks or public health crises; (C) national or regional emergencies, acts of war, invasion or other hostilities (in each case, whether or not declared by a government), terrorist threats or acts, riots or other civil unrest; (D) actions by governmental authorities (in each case whether lawful or unlawful, and including, without limitation, laws and orders), embargoes or blockades; (E) labor strikes, stoppages, slowdowns or other disputes (in each case whether lawful or unlawful); and (F) any other events or circumstances beyond the reasonable control of the affected party, whether similar or dissimilar to any of the foregoing. Force Majeure Events include any failure or delay of a party's supplier(s), subcontractor(s) or agent(s) so long as such event would otherwise constitute a Force Majeure Event as defined herein with respect to such person(s).

The affected party shall give notice to each other party as soon as practicable following a Force Majeure Event (in no event more than 10 days after the Force Majeure Event occurs) reasonably describing the Force Majeure Event and stating the period of time the Force Majeure Event is anticipated to continue. The affected party shall use diligent efforts to end the failure or delay, ensure the effects of such Force Majeure Event are minimized, and resume performance as soon as reasonably practicable following the Force Majeure Event. During any Force Majeure Event affecting (1) Tier Two's performance, OEM may, at its option, direct Tier One to purchase substitutes for the Directed Components from sources other than Tier Two and reduce Tier Two's delivery schedules to Tier One for Directed Components by such quantities, without liability to Tier Two or (2) Tier One's performance, OEM may, at its option, purchase substitutes for the Component Parts from sources other than Tier One and reduce (or

direct the reduction of) both Tier Two's delivery schedules to Tier One for Directed Components and Tier One's delivery schedules to OEM for Component Parts by such quantities, without liability to Tier One or Tier Two. If requested in writing by OEM, the affected party will provide within 5 days adequate assurances to each other party that the affected party's non-performance will not exceed 30 days from the date of such adequate assurance. If the affected party's non-performance lasts more than 30 days or the affected party does not timely provide such assurances, OEM may immediately terminate this Agreement and/or the OEM Purchase Orders, and/or direct termination of the Tier One Purchase Orders, as applicable.

convenience, OEM will be liable to Tier Two under the terms of section 7.

6. Termination.

6.1 OEM Purchase Orders. OEM will not terminate the OEM Purchase Orders except in accordance with the terms of the OEM Purchase Orders and this Agreement.

(A) If the OEM Purchase Orders are terminated by OEM for convenience:

(1) Tier One will be entitled to recover from OEM any amounts to which it is entitled under the OEM Purchase Orders.

(2) Tier One will terminate the Tier One Purchase Orders in accordance with their respective terms and Tier Two will be entitled to recover from Tier One any amounts to which it is entitled under the Tier One Purchase Orders.

(3) If Tier Two is unable to recover from Tier One all amounts it is owed as a result of the termination for

(B) If the OEM Purchase Orders are terminated by OEM on account of any other reason under the OEM Purchase Orders, including a breach by Tier One:

(1) Tier One may terminate the Tier One Purchase Orders in accordance with their respective terms and Tier Two will be entitled to recover from Tier One any amounts to which it is entitled under the Tier One Purchase Orders.

(2) If Tier Two is unable to recover from Tier One all amounts it is owed as a result of the termination, OEM will be liable to Tier Two under the terms of section 7.

6.2 Tier One Purchase Orders. Tier One will not terminate the Tier One Purchase Orders and OEM will not direct Tier One to terminate the Tier One Purchase Orders, except in accordance with the terms of the Tier One Purchase Orders and this Agreement. Tier One will not terminate the Tier One Purchase Orders without OEM's prior written consent, which consent will not be unreasonably withheld, conditioned, or delayed.

(A) Subject to subsection 6.2(D), if the Tier One Purchase Orders are terminated for convenience by Tier One, Tier Two will be entitled to recover from Tier One any amounts to which it is entitled under the Tier One Purchase Orders.

(B) If the Tier One Purchase Orders are terminated by Tier One for any other reason, including a breach by Tier Two:

(1) Tier One will be entitled to recover from Tier Two any amounts to which it is entitled under the Tier One Purchase Orders.

(2) If Tier One is unable to recover from Tier Two all amounts it is owed as a result of the termination, OEM will be liable to Tier Two under the terms of section 7.

(C) If the Tier One Purchase Orders are breached by Tier One and Tier Two seeks to terminate or suspend performance under the Tier One Purchase Orders:

(1) Tier Two will provide written notice to OEM and seek OEM’s consent (which consent will not be unreasonably withheld, conditioned, or delayed), and reasonably cooperate with OEM and Tier One in reaching a mutually acceptable resolution.

(2) Tier Two will be entitled to recover from Tier One any amounts to which it is entitled under the Tier One Purchase Orders.

(3) If Tier Two is unable to recover from Tier One all amounts it is owed as a result of the termination, OEM will be liable to Tier Two

under the terms of section 7.

(D) If the Tier One Purchase Orders are terminated at the direction of OEM or if OEM directs Tier One to resource to a specific new Directed Components’ source (the “**Replacement Tier Two**”):

(1) Tier Two will be entitled to recover from OEM or Tier One any amounts it is entitled to recover from Tier One under the Tier One Purchase Orders. If Tier Two recovers from Tier One, OEM will be obligated to reimburse Tier One the amount of the recovery.

(2) OEM and Tier One will negotiate in good faith the allocation of costs including, without limitation, validation costs, building a bank, and/or tooling moves incurred by Tier One in transitioning supply to the Replacement Tier Two, including amounts Tier One is obligated to pay Tier Two under the Tier One Purchase Orders arising from their termination and validation costs, bank build, etc. Disputes regarding such allocation of costs will be resolved in accordance with the dispute resolution process set forth in section 8.

7. **Unrecovered Claims.**

- 7.1 If Tier One is responsible to OEM under the OEM Purchase Orders for a performance issue that is caused by Tier Two's performance, but despite its reasonable efforts Tier One cannot recover from Tier Two any portion of Tier One's liability to OEM, OEM will reimburse Tier One for the unrecovered portion and OEM will have the right to recover the unrecovered portion of Tier One's claim from Tier Two.
- 7.2 If, despite reasonable efforts, Tier Two is unable to recover from Tier One all amounts it is owed under subsections 6.1(A)(2), 6.1(B)(1) or 6.2(C)(2), OEM will reimburse Tier Two the unrecovered portion and OEM will have the right to recover the unrecovered portion of Tier Two's claim from Tier One.
- 7.3 If, despite reasonable efforts, Tier One is unable to recover from Tier Two all amounts it is owed under subsection 6.2(B)(2), OEM will reimburse Tier One for the unrecovered portion and OEM will have the right to recover the unrecovered portion of Tier One's claim from Tier Two.
- 7.4 In all cases under sections 7.1, 7.2 and 7.3, the Supplier seeking recovery from OEM must (i) exercise any rights of setoff, recoupment, or deduction it may have against the other Supplier, (ii) provide OEM with evidence reasonably sufficient to demonstrate to OEM that the other Supplier is actually liable on the claim, (iii) transfer the claims against the other Supplier to OEM free of any third party interests, claims, or encumbrances, and (iv) reasonably cooperate with and assist OEM as needed in pursuit of any claim by OEM under this section 7.
- 7.5 Each Supplier acknowledges and consents to OEM's pursuit of any claims against it under this section 7, including, without limitation, OEM's exercise of its setoff, recoupment or deduction rights, whether arising either under the OEM Purchase Orders or applicable law.
- 8. Dispute Resolution Process.** If a dispute arises between or among any of the parties under this Agreement and cannot otherwise be resolved on an informal basis, the following procedure will apply:
- 8.1 Meeting Period. For a period of ____ days from the date any party invokes this procedure by written notice to each of the other parties (the "**Meeting Period**"), a representative of each party will meet and confer, in person or by telephone, in good faith, and attempt to resolve the dispute.
- 8.2 Elevation. If, at the end of the Meeting Period, the parties are unable to resolve the dispute, unless the parties agree in writing to extend the Meeting Period or one party declines to participate, the matter will be elevated to a representative of each party's senior management, and the parties will attempt to resolve the dispute for an additional ____ days.
- 8.3 Arbitration. If the parties are unable to resolve the dispute at a business level pursuant to sections 8.1 and 8.2 and unless the parties agree in writing to further extend discussions at a business level, any controversy or claim arising out of or relating to this Agreement (each, a "**Dispute**") will be settled by arbitration administered by the American Arbitration Association under its *Commercial Arbitration Rules*, and judgment on the award rendered by the arbitrator may be entered in any Michigan court or any other court of competent jurisdiction. The arbitrator(s) shall decide whether the parties have agreed to arbitrate and whether this binding arbitration section covers the particular Dispute between the parties. Notwithstanding the foregoing, the term "Dispute" does not include any dispute or controversy about the validity or enforceability of

this binding arbitration provision or any part thereof; all such disputes or controversies are for a court and not an arbitrator to decide. However, any dispute or controversy that concerns the validity or enforceability of this Agreement as a whole is for the arbitrator, not a court to decide. Any arbitration proceeding must be instituted, with respect to any Dispute, within two (2) years after the date the incident giving rise thereto occurred, whether or not any damage was sustained or capable of ascertainment or either party knew of such incident. Failure to institute an arbitration proceeding within such period will constitute an absolute bar and waiver to the institution of any proceeding, whether arbitration or a court proceeding, with respect to such Dispute. The decision of the arbitrator shall be final and binding and may not be appealed or otherwise challenged by any party. Each party shall bear its own costs and expenses and an equal share of the arbitrators' and administrative fees of arbitration. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

8.4 **Injunctive Relief.** As a supplement to arbitration any party, at its option, may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause the party irreparable harm.

9. **Cooperation.** Each party agrees to cooperate fully with the other parties and to take all additional actions that may be necessary to give full force and effect to this Agreement.

10. **General Terms.**

10.1 **Notices.** All notices, requests, and other communications that are required or may be given under this Agreement must be in writing and addressed as set forth in the OEM Purchase Order or Tier One Purchase Order, as applicable.

10.2 **Entire Agreement.** This Agreement and any schedules, exhibits, or other documents executed in connection with this Agreement, together with any agreements expressly incorporated into this Agreement and all recitals in this Agreement (which recitals are incorporated as covenants of the parties), constitute the entire understanding of the parties in connection with the subject matter of this Agreement. This Agreement supersedes and constitutes a merger of all prior proposals, negotiations, representations, understandings, commitments, and agreements, whether oral or written, with regard to the subject matter and provisions of this Agreement.

10.3 **Authority.** Each of the representatives executing this Agreement on behalf of the parties represents and warrants that he or she possesses the corporate power and authority to execute this Agreement on behalf of the respective parties and that this Agreement has been duly authorized by the parties. Each of the parties represents and warrants that the execution and delivery by that party of this Agreement, or compliance or performance by that party with any of the provisions of this Agreement will not conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under any provision of the certificate of incorporation and bylaws or comparable organizational documents of that party, any material contract of that party, any order applicable to that party, or any applicable law, in each

case, in existence as of the Effective Date.

- 10.4 Successors and Assigns; Third Party Beneficiaries. This Agreement and all of the parties' obligations are binding upon their respective successors and assigns, and together with the rights and remedies of the parties under this Agreement, inure to the benefit of the parties and their respective successors and assigns. The Suppliers may not assign or transfer any right or obligation under this Agreement without the prior written consent of OEM. The parties agree that this Agreement is intended to benefit solely the parties to this Agreement and is not intended for the benefit of any third parties.
- 10.5 Waiver; Modification. No delay or failure of any party to exercise any right, power, or privilege will affect the right, power, or privilege, nor will any single or partial exercise preclude any further exercise, nor the exercise of any other right, power, or privilege. This Agreement may not be modified, altered, or amended except by an agreement in writing signed by all parties.
- 10.6 Severability; Counterparts. Should any provision of this Agreement be held

invalid or unenforceable, the remainder of this Agreement will not be affected. This Agreement may be executed in any number of duplicate originals or counterparts, and each duplicate original or counterpart will be deemed an original and taken together will be one and the same instrument. The parties agree that their respective signatures may be electronically delivered, and that such electronic transmissions will be treated as originals for all purposes.

- 10.7 Governing Law. This Agreement will be governed by and construed in accordance with the law governing the OEM Purchase Orders, without regard to its conflict of law principles.

11. Jury Trial Waiver. In the event any relief is sought from a court, the parties acknowledge that the right to trial by jury is a constitutional right, but that this right may be waived. The parties each waive all rights to a trial by jury of all disputes arising out of or in relation to this Agreement or any other agreements between the parties executed in connection with this Agreement. No party will be deemed to have relinquished the benefit of this jury trial waiver unless the relinquishment is in a written instrument signed by the party to which the relinquishment will be charged.

The following pages should follow:

1. Signature Page
2. Exhibit A: Directed Buy Nomination Letter
3. Exhibit B: Directed Buy Notification Letter
4. Exhibit C: General Terms and Conditions of Purchase
5. Exhibit D: RASIC Charts (see following page)

Exhibit D: Directed Buy Responsibility Matrix or RASIC Chart

	<u>CUSTOMER</u>	<u>TIER ONE</u>	<u>TIER TWO</u>
Define requirements for Component Parts and Directed Components ¹			
Determine specifications for Component Parts and Directed Components			
Contract w/ Tier One ²			
Contract with Directed Tier Two ³			
Quality associated with goods provided to Customer ⁴			
Quality associated with for Directed Components provided to Tier One			
Warranty associated with goods provided to Customer			
Warranty associated with for Directed Components provided to Tier One ⁵			
Product Liability associated with goods provided to Customer ⁶			
Product Liability associated with Directed Components provided to Tier One			
Test / Validate goods provided to Customer			
Test / Validate Directed Components provided to Tier One			
Provide Logistics & Scheduling for goods provided to Customer			
Provide Logistics & Scheduling for Directed Components provided to Tier One			
Pay Tier One			
Pay Tier Two			

¹Requirements may include other obligations related to the component such as packaging

²Including but not limited to OEM terms and conditions

³Needs to be some negotiation between Customer and Tier Two

⁴Tier One should have no responsibility to Customer for Directed Components

⁵Tier One should have no responsibility to Customer for Directed Components

⁶Tier One should have no responsibility to Customer for Directed Components

Meet APQP requirements on Tier One's Component Parts			
Meet APQP requirements on Tier Two's Directed Components			
Complete and submit PPAP package on Tier One's Component Parts			
Complete and submit PPAP package on Tier Two's Directed Components			
Meet Run @ Rate requirements on Tier One's Component Parts			
Meet Run @ Rate requirements on Tier Two's Directed Components			
Design & Develop Packaging associated with Directed Components provided to Tier One			
Coordinate Customer's Engineering Change			
Support Build and Launch at Assembly Plant			

Legend: R: Responsible A: Approve S: Support