SUPPLY AGREEMENT

THIS SUPPLY AGREEMENT made as of the 1st day of February, 2004, between AUTOLIV ASP, INC., a corporation organized and existing under the laws of the State of Indiana, having a place of business at 3350 Airport Rd., Ogden, Utah 84405, ("Autoliv ASP");

and

GREENING DONALD CO. LTD., a corporation organized and existing under the laws of the Province of Ontario, Canada, having a place of business at 16 Commerce Road, Orangeville, Ontario, Canada L9W 2X7 ("Supplier");

WITNESSETH THAT:

WHEREAS, Supplier wishes to enter into this Supply Agreement pursuant to which Supplier will manufacture and sell to Autoliv ASP part of its requirements, subject to Supplier's compliance with applicable conditions, additional requirements for Components (as hereinafter defined) for use in airbag inflators and/or modules manufactured by Autoliv ASP; and

WHEREAS, Autoliv ASP desires to enter into this Supply Agreement to purchase such Components for use in certain airbag inflators and/or modules in accordance with the terms, prices and other conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, IT IS HEREBY AGREED AS FOLLOWS:

This is Exhibit "A" referred to in the affidavit of Dan Leininger sworn before me, this 15th day of November 20 06.

Tammy Klimek
A COMMISSIONER FOR TAKING AFFIDAVITS

TAMMY KLIMEK
Notary Public, State of Michigan
County of Oakland
My Commission Expires Oct. 06, 2012
Acting in the County of OAKLAND

ARTICLE 1 DEFINITIONS

The following terms have the following respective meanings:

1.1 "Components" will mean certain filters as more fully identified in Exhibit "A" including service parts related thereto.

ARTICLE 2. PURCHASE AND SALE OBLIGATIONS

2.1 Subject to Supplier's competitiveness (as further defined in Article 4) in price, quality, technology, delivery, etc., and subject to the other terms and conditions of this Supply Agreement, Autoliv ASP agrees that during the term of this Agreement Supplier will furnish Components as identified in Exhibit "A". During the term of this Agreement, Autoliv ASP will purchase such Components for automotive programs for which Supplier's Components have been qualified from Supplier, and Supplier will supply such Components to Autoliv ASP, *provided* that Supplier:

(a) is competitive in price to other verifiable, commercially acceptable, alternative and financially qualified quotes;

(b) maintains satisfactory or above rating as mandated per Autoliv ASP AS-51 supplier rating system;

(c) is deemed in the good faith judgment of Autoliv ASP at the time of quotation for future programs, including programs for successor Components, to meet the requirements and capabilities (*e.g.*, capacity, quality control, technology) for the particular future program under consideration and continuously thereafter maintains the capability;

(d) meets required validation and test approval parameters (*e.g.*, PPAP) and is accepted as the source for such Components by the respective Autoliv ASP customer;

(e) is able to provide the necessary capacity plus 20% to meet Autoliv ASP's requirements for Components; and

(f) is able to respond satisfactorily to specific demands of Autoliv ASP and/or its customers with respect to the maintenance of manufacturing locations and

the taking of other measures and precautions reasonably designed to eliminate the risk of a force majeure occurrence or other circumstances substantially jeopardizing Supplier's performance hereunder.

Autoliv ASP will give written notice to and discuss with Supplier any circumstances involving a potential nonconformity to any of the foregoing conditions. Supplier shall comply with Autoliv ASP "Corrective Action Request Procedure"; (CAR's) and Problem Solving Analysis. Supplier shall have opportunity to address such nonconformity in accordance with applicable provisions of this Supply Agreement. Autoliv retains the right to all remedies for Supplier's failure or refusal to correct any nonconformity described above. Supplier shall have sole responsibility for the successful and timely submission for Autoliv's approval of each PPAP required or otherwise undertaken pursuant to or in connection with this Supply Agreement.

2.2 Nothing in this Supply Agreement (or in any forecast or projection separately furnished by Autoliv ASP to Supplier) shall be construed as obligating Autoliv ASP to purchase any fixed or minimum quantity of Components from Supplier.

2.3 Nothing contained in this Supply Agreement shall be construed to require Autoliv ASP to purchase any portion of its requirements for Components from Supplier contrary to the direction of Autoliv ASP's customer, and Autoliv ASP shall have no liability to Supplier for any such failure or refusal to purchase Components from Supplier if and to the extent such failure or refusal is based upon Autoliv ASP's customer's direction. Autoliv ASP shall use commercially reasonable efforts to secure the customer's approval of Supplier as its qualified source for Components and shall advise Supplier of the identity and details, if available, concerning any customer's disapproval of Supplier as the source for such Components.

ARTICLE 3. PRICES; ORDERS; PAYMENT TERMS

3.1 The prices for existing Components are as stated in Exhibit "A" hereto, and Supplier warrants that such prices shall not be exceeded. Supplier agrees to use commercially reasonable efforts to realize ongoing design and manufacturing efficiencies and whenever applicable to notify Autoliv ASP in a prompt and timely fashion of such

efficiencies and to quote reduced prices in accordance with Article 4. Without limiting the generality of the foregoing, Supplier agrees to participate in VEVA (value engineering/value analysis) as requested by Autoliv ASP.

3.2 Supplier will periodically submit to Autoliv ASP, no less then annually, an income statement and balance sheet for Greening Donald Company LTD. Autoliv ASP shall have the right to request reasonable additional information and/or supporting documentation in connection therewith, which information and/or documentation will be provided by supplier.

3.3 Orders for Components shall be by Autoliv ASP's standard product pulls pursuant to the terms of blanket purchase orders that Autoliv ASP will issue to Supplier.

3.4 From February 1, 2003 until April 30, 2005 payment terms are Net 30. Effective May 1, 2005 payment terms are Proximo30 unless otherwise agreed to by Autoliv. (i.e., *AUTOLIV ASP will transmit payment* on the 30th of each month for all Components accepted by Autoliv ASP by the 30th of the prior month.)

3.5 All prices set forth in this Supply Agreement, and all price and cost data communicated or exchanged between the parties relating to this Supply Agreement, shall be denominated in Canadian Dollars.

ARTICLE 4. COMPETITIVENESS

4.1 The prices charged for Components sold to Autoliv ASP during the term of this Agreement will not exceed prices that Supplier charges any other customer for similar products.

4.2 Supplier agrees to maintain pricing, terms, and service fully competitive with the most favorable levels and standards in the industry and delivery and quality as further set forth and defined in Section 2.1.

4.3 If Autoliv ASP initiates design, process or other changes that result in decreased production costs, unit prices will be decreased by the full per-unit amount of the

decrease in production costs (after allowing for Supplier's recovery of associated tooling and qualification costs). If Supplier initiates design or process changes that result in decreased production costs, unit prices will be decreased by fifty per cent (50%) of the per-unit amount of the decrease in production costs (after allowing for Supplier's recovery of associated tooling and qualification costs).

ARTICLE 5. DEVELOPMENT, MAINTENANCE AND APPLICATION ENGINEERING COST

5.1 Supplier agrees to advise Autoliv ASP of the latest technological advances relating to the Components resulting from Supplier's research and development efforts. Except to the extent restricted by the intellectual property rights of third parties (*e.g.*, arising from research and development activity funded by other of Supplier's customers), Supplier will make such improvements available to Autoliv ASP without assessment of any charge for engineering services and at unit prices in accordance with applicable provisions of this Supply Agreement (including, without limitation, Articles 3 and 4). All proprietary information disclosed in connection with such improvements shall be subject to the terms of the Data Exchange and Disclosure Agreement dated May 3, 2000, between the parties which agreement is hereby incorporated herein by reference.

5.2 Supplier also agrees, at its own expense, to provide the manpower and other technical and engineering resources required to support applications engineering and maintenance for Autoliv ASP's current production requirements (defined as any program that is currently in production) as well as the related next generation of filter products.

5.3 In addition, Supplier will maintain, within reason, the manpower and resources required for applications engineering necessary to provide proposals for advanced technology and other development programs defined in Requests for Proposals issued by Autoliv ASP. Supplier will support the advance engineering activity for

such components, which will involve packaging and defining and developing new concepts for application at no charge to Autoliv ASP.

5.4 All drawings that Supplier submits to Autoliv ASP pursuant to or in accordance with this Agreement shall be in a format that is fully compatible with Autoliv ASP's systems as in effect from time to time, including, without limitation, its computer-based drawings and design systems. In the event of any incompatibility between drawings submitted by Supplier and Autoliv ASP's systems, Supplier shall make the necessary changes to achieve compatibility at Supplier's expense.

ARTICLE 6. DELIVERY AND INVENTORY

6.1 In the event of conflict between or among the terms of this Supply Agreement and the terms of any Exhibit, purchase order or the other document referenced herein or related hereto, the terms of the main body of this Supply Agreement shall prevail. Terms of purchase and sale shall be in accordance with the applicable terms and conditions of Autoliv ASP's Purchase Order Terms and Conditions (Form ASP-544 [Rev. 1/04]); Addendum to Purchase Order Terms and Conditions, Special Purchase Order Terms and Conditions, Production Components (Form ASP-546 [Rev. 12/03]; Addendum to Purchase Order Terms and Conditions (Electronic Data Interchange) Form ASP-547 (Rev. 12/03); and Sales Tax Clauses, copies of which are attached as Exhibit "B." Unless otherwise agreed, Supplier shall be responsible to have Components sold hereunder Free On Board Orgin (per Incoterms 2000). If Supplier fails to make deliveries at the specified time, all damages suffered by Autoliv ASP, including, without limitation, any premium transportation or other costs required to meet the specified delivery schedule (or minimize the lateness of deliveries), will be at the expense of Supplier; in addition, Autoliv ASP retains all other rights and remedies specified in this Agreement (including its incorporated terms and conditions) with respect to any such failure(s) by Supplier to make timely deliveries. A reasonably acceptable trade term to the foregoing effect shall be specified and made a part of Autoliv ASP's applicable purchase order(s).

6.2 Supplier will maintain in-house finished stock inventory of Components (including required raw material and work-in-process inventories) sufficient to meet Autoliv

ASP's ongoing requirements. In any circumstance in which the possibility of a significant disruption of Supplier's operations such as would jeopardize the timely delivery of Components to Autoliv ASP hereunder is foreseen by either party, Supplier will maintain at least two (2) additional weeks finished stock inventory of Components. As added protection to Autoliv ASP against the possibility of any strike action on the part of Supplier's employees or employees of any of Supplier's suppliers, Supplier shall give Autoliv ASP one hundred twenty (120) days' notice prior to the termination of any labor contract covering any employees of Supplier and, after February 1, 2004, its suppliers (at any tier). If Autoliv ASP so requests, Supplier shall negotiate with Autoliv ASP an acceptable arrangement to prevent any interruption in the supply of Components.

6.3 Supplier agrees to actively participate in Autoliv ASP's "Cross Dock" program as presently or hereafter in effect for proper control of Component inventories.

ARTICLE 7. QUALITY SYSTEM

Supplier agrees that by December 2004, it will establish and maintain quality control systems and procedures for Components consistent with the standards and requirements set forth in ISO 9001-2001 or ISO/TS 16949-2002, as well as those in Autoliv Standards AS-1, NAB appendix A, AS-51 and AS-53, and applicable appendices thereto, or as amended and will provide Autoliv ASP with details of such procedures promptly upon request. Autoliv ASP will have the right to satisfy itself as to the actual performance of the quality control and inspection procedures relating to Components, and Supplier will implement quality control recommendations made from time to time by Autoliv ASP unless documented proof can be given to demonstrate that such recommendations are unnecessary. Supplier accepts the Autoliv ASP Supplier Charge Back Procedure / Program.

ARTICLE 8. WARRANTY; RECALL; PRODUCT LIABILITY

8.1 Supplier warrants that all Components sold to Autoliv ASP will comply with the design specifications, drawings, descriptions and samples furnished and/or specified

by Autoliv ASP and that the same will be of good material and workmanship and free from manufacturing and (if and to the extent provided by Supplier) design defects, liens, and encumbrances.

8.2 In the event any Component is not in compliance with Supplier's warranties hereunder, Supplier shall, at Autoliv ASP's option, credit Autoliv ASP for the cost of such Component or, at Supplier's expense, replace, repair or correct such Component.

8.3 If Autoliv ASP's products (which term as used herein includes other products into which Autoliv ASP's products have been incorporated) are subject to any recall, service fix or safety campaign (whether required or recommended by Supplier, Autoliv ASP, any governmental or regulatory body or third party) as a result of defective Supplier furnished Components incorporated therein, Supplier shall reimburse Autoliv ASP for all costs and expenses (except to the extent proved by the Supplier to exceed a reasonable amount) arising there from or relating thereto. Each party agrees to provide the other with prompt written notice of the potential for any such recall, service fix or safety campaign known to the former and to cooperate in the exchange of data during the investigation relating thereto. Further, the parties agree to use commercially reasonable efforts to consult with each other prior to reporting any recall, service fix or safety campaign to any governmental agency. Supplier shall obtain $5 million of product liability insurance. Product recall insurance will not be required.

8.4 If either party shall be sued by any third party for property damage, personal injury or death alleged to have been caused by a defect in any Component supplied hereunder, or in any passive restraint system incorporating any such Component, regardless of whether such claim is based upon strict liability, negligence or warranty, Supplier and Autoliv ASP will cooperate with each other and, if necessary, any appropriate insurance carrier, to the greatest extent possible in the defense of the claim. Supplier and Autoliv ASP will make available to each other the services of knowledgeable personnel and all information at their disposal necessary or useful in the defense of the claim. If it shall be determined or alleged that any manufacturing and/or (if and to the extent provided by Supplier) design defect in a Component

supplied to Autoliv ASP by Supplier hereunder was a cause of the property damage, personal injury and/or death giving rise to the claim, Supplier shall defend, indemnify and hold Autoliv ASP harmless from any and all claims, costs, liability and/or expenses (including attorneys fees and costs) arising from any such actual or alleged defects in such Component(s).

ARTICLE 9. SERVICE AND REPLACEMENT PARTS

9.1 Supplier will supply Components to Autoliv ASP in support of its service and/or replacement part requirements, in addition to normal original equipment, and Supplier will further provide such Components to Autoliv ASP following the termination of this Agreement for a minimum of fifteen (15) years, and, if applicable, thereafter for as long as Autoliv ASP requires such Components to meet its obligations to it customers. For the purposes of this Article 9, the term "Components" shall include (but not be limited to) all configurations of inflator filters ever manufactured at the North Ogden Plant (including, without limitation, configurations that have been discontinued from on-going production).

9.2 Prices for service parts during the first three (3) years after Autoliv ASP completes current model purchases shall be those in effect at the conclusion of such model purchases, adjusted for any actual set-up, additional tooling and special packaging costs that are necessary. Thereafter, prices for service and/or replacement parts shall be as agreed by the parties.

ARTICLE 10. TOOLING AND OTHER PROPERTY FURNISHED BY AUTOLIV ASP

10.1 If Autoliv ASP elects to furnish and/or fund tooling, equipment or other property to Supplier for use in connection with the production of Components to be delivered to Autoliv ASP hereunder, title to all such property shall be retained by Autoliv ASP. At no additional cost to Autoliv ASP, Inc., Supplier agrees to take all actions, including those requested by Autoliv, to protect Autoliv ASP's right, title and interest in such property, including, without limitation, affixing notices of Autoliv ASP's title to such property and the preparation, execution and filing (at Autoliv

ASP's expense) of financing statements or other instruments under Article 9 of the Uniform Commercial Code or other recording statutes.

10.2 All tooling, equipment and other property furnished to Supplier by Autoliv ASP shall be used exclusively for producing Components to be sold and delivered to Autoliv ASP, unless otherwise specifically approved in writing by an authorized representative of Autoliv ASP.

10.3 Supplier shall at its own cost and expense take all reasonable measures to protect, and shall diligently maintain and repair all tooling, equipment and other property furnished to it by Autoliv ASP. Supplier shall bear the risk of, and shall be responsible for, any loss or destruction of, or damage to, any such tooling, equipment or other property, provided that Supplier shall not be responsible for reasonable wear and tear to such property or for such property properly consumed in producing Components to be delivered to Autoliv ASP.

10.4 Supplier agrees to dispose of all tooling, equipment and other property furnished to it by Autoliv ASP hereunder in accordance with the instructions of authorized representatives of Autoliv ASP.

10.5 If Autoliv ASP elects to furnish tooling, equipment or other property to a third party who supplies goods or services to Supplier for use in manufacturing the Components, Autoliv ASP, Supplier and such third party ("sub-supplier") shall enter into a separate written agreement obligating sub-supplier in substantially the same manner that this Article 10 obligates Supplier.

ARTICLE 11. DEFAULT

11.1 Any of the following events shall constitute an "Act of Default" under this Supply Agreement:

(a) Either party being declared insolvent or bankrupt;

(b) Either party making an assignment or other arrangement for the benefit of its creditors;

(c) Either party having all or any substantial portion of its capital stock or assets expropriated by any government;

(d) Either party being dissolved or liquidated, except in a consequence of a merger, amalgamation or other corporate reorganization to which it may be a party;

(e) Either party's material breach of any provision of this Supply Agreement, if such breach remains uncured for a period of thirty (30) working days after written notice thereof from the other party, *provided* that such thirty-day period shall be reasonably extended if (i) the breach in question cannot be completely cured within such period and (ii) the party in breach takes all reasonable steps towards cure within such thirty-day period and thereafter proceeds diligently to completion of cure of the breach.

11.2 If either party shall commit an Act of Default hereunder, then the other party may terminate this Supply Agreement by written notice to the party in breach, *provided, however*, that prior to any termination of this Supply Agreement by Autoliv ASP as a result of an Act of Default by Supplier specified in Section 11.1(e), the parties shall have first attempted to resolve any such dispute in accordance with Section 12.2, *infra*.

11.3 Supplier shall not be held liable for breach, delay or default if the failure to perform is caused by terrorism, sabotage, war, or Acts of God.

ARTICLE 12. LEGAL INTERPRETATION; DISPUTE RESOLUTION

12.1 This Supply Agreement will be interpreted and the legal relationship between Supplier and Autoliv ASP will be determined in accordance with the laws of the State of Utah (without regard to principles of conflicts of law), including without

limitation, the Uniform Commercial Code as adopted in Utah, as if entirely negotiated and performed therein.

12.2 If disputes arise between the parties relating to this Supply Agreement, they shall be subject to the following procedure prior to either party's pursuing any other available remedy:

(a) A meeting shall be held between the parties, attended by their respective chief executive officers or their designates, to attempt in good faith to negotiate a prompt and equitable resolution of the dispute.

(b) If, within thirty (30) days after the meeting described in sub-section (a), above, the parties have not succeeded in negotiating a resolution of the dispute, the parties shall select or devise an alternative dispute resolution procedure by which to attempt to resolve their dispute. If the parties cannot agree within twenty (20) days on the type of ADR proceeding and the identity of the neutral mediator, the dispute shall be submitted to mediation in which the ADR firm of Endispute shall serve as the neutral mediator.

(c) In the event that the procedures specified in this Section 12.2 shall have failed to resolve the parties' dispute within six (6) months after a party's initial written submission of a notice of dispute, then such alternative dispute resolution process shall be terminated and either party may then commence litigation or initiate other proceedings to resolve such dispute.

12.3 After failing to resolve the dispute under 12.2, Any litigation instituted by Supplier arising out of this Supply Agreement shall be filed by Supplier only before a court of competent jurisdiction in the State of Utah and Supplier hereby consents to the jurisdiction of the Utah State and federal courts. In the event of litigation instituted by Autoliv ASP arising out of this Agreement, service of process may be made as provided by Utah law.

ARTICLE 13. TERM AND TERMINATION

This Agreement supersedes any Agreement between the parties for the same or similar components and shall remain in effect through January 31, 2007, unless earlier terminated in accordance with the other provisions hereof. Any such notice of termination or other notice relating to this Supply Agreement shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if sent by facsimile, with a confirming copy sent by registered or certified mail, return receipt requested, postage prepaid, or if sent by a nationally recognized overnight delivery service (with written confirmation of receipt in each case) addressed to the intended recipient, as set forth below:

If to Autoliv ASP:

Autoliv ASP, Inc.
3350 Airport Road
Ogden, Utah 84405

Attention: Daniel R. Leininger
Director of Purchasing, NAB
Facsimile: (801) 612-5622

With a copy to:

Autoliv ASP, Inc.
1320 Pacific Drive
Auburn Hills, MI 48326

Attention: Michael S. Anderson, Esq.
Vice President for Legal Affairs & General Counsel,
Autoliv ASP, Inc.
Facsimile: (248) 475-9296

If to Supplier:

Greening Donald Co. Ltd.
16 Commerce Road
Orangeville, Ontario
Canada L9W 2X7

Attention: Lawrence H. Fort
President

ARTICLE 14. ENTIRE AGREEMENT; ASSIGNMENT; SURVIVAL

14.1 This Supply Agreement, together with the Exhibits hereto, documents expressly incorporated by reference and purchase orders and releases issued by Autoliv ASP to Supplier hereunder, shall constitute the entire agreement between Autoliv ASP and

Supplier relating to the subject matter hereof. In the event of conflict between or among the terms of this Supply Agreement and the terms of any Exhibit, purchase order or other document referenced herein or related hereto, the terms of the main body of this Supply Agreement shall prevail.

14.2 This Supply Agreement, and all rights and obligations hereunder, are personal as to the parties and shall not be assigned by either of them to any third party without the prior written consent of the other party, provided that neither party shall withhold such consent unreasonably.

14.3 Supplier shall notify Autoliv ASP, Inc., in writing in advance whenever Supplier changes its executive management team, suffers or anticipates a material deterioration of its financial condition, changes ownership, etc.

14.4 The provisions of Articles 8, 9, 10 and 12 and the sections enumerated in Section 34 of Autoliv ASP's Purchase Order Terms and Conditions shall survive the expiration or earlier termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Supply Agreement to be executed in duplicate, as of the date first above written, by their duly authorized officers or representatives.

AUTOLIV ASP, INC.

By: _____

Title: PURCHASE DIRECTOR

1548735 ONTARIO LTD.

By: _____

Title: PRESIDENT