

MASCO COMPANIES SUPPLEMENTARY TERMS AND CONDITIONS FOR SPECIAL TOOLING AND BAILED PROPERTY

These Masco Companies Supplementary Terms and Conditions for Special Tooling and Bailed Property ("Supplementary Terms") are issued on behalf of the Masco company identified as the "buyer" (which will be referred to as "us," "our" or "we" in these Supplementary Terms) in the applicable purchase order issued by buyer and any supply or other agreement to which these Supplementary Terms are attached or incorporated by reference (with such purchase order or agreement referred to as an "Agreement"), and will apply to each Agreement where (a) the Masco Companies Standard Terms and Conditions for Purchase of Parts, Goods and Materials from Suppliers (the "Standard Terms") apply and (b) Special Tooling (as hereinafter defined) or Bailed Property (as hereinafter defined) is utilized in connection with the provision of Supplies (as such term is defined in the Standard Terms).

1. These Supplementary Terms Supplement the Standard Terms. The Standard Terms shall be supplemented by these Supplementary Terms to the extent Special Tooling or Bailed Property is utilized in connection with the provision of Supplies, and by accepting the Agreement you agree you have read and agree to be bound in such case by these Supplementary Terms. These Supplementary Terms will be valid without signature if issued by us through our computer system or other electronic means and can be found at [www.masco.com/our-suppliers/](http://www.masco.com/our-suppliers/) (the "Web Site"). These Supplementary Terms may hereafter be revised, from time to time, by us by posting such revisions on the Web Site, and such revisions shall be binding on both of us upon posting.

2. Special Tooling and Bailed Property. Tooling includes all tools with accessions, modifications and repairs, equipment, drawings, manufacturing aids and replacements of the foregoing furnished by us, either directly or indirectly, or acquired or manufactured by you for use in the provision of any Supplies ("Special Tooling"). Unless otherwise expressly provided in the Agreement, Special Tooling and any other property owned by us that is placed in your possession or control for your use in connection with the Supplies (collectively, "Bailed Property") will be (a) our property, (b) plainly marked or otherwise adequately identified by you as our property, (c) safely stored separate and apart from your property, and (d) maintained in such a manner to prevent its unauthorized access, use or disclosure. You will use Special Tooling or Bailed Property solely in connection with the production of Supplies. Without our express written consent, you will not disclose to any third party or permit any third party to use any Special Tooling, which you agree will be considered confidential.

3. Acquisition of Special Tooling. You will design and fabricate, rework or acquire Special Tooling that fully conforms to the specifications and other requirements of our Agreement. Special Tooling must be capable of producing any volume projections for the Supplies for the life of the tooling. You will provide the same warranty for Special Tooling as you provide for the Supplies.

4. Ownership of Special Tooling. We will become sole owner of all Special Tooling as soon as it is fabricated or acquired by you, even if you have not yet been paid for it. In any dispute involving ownership of the Special Tooling at any other stage of completion, there is a presumption that we are sole owner of the Special Tooling. As a precaution against any adverse claims, you grant us a security interest in the Special Tooling to secure any progress payments advanced against the Special Tooling and a right to title and possession of the Special Tooling. You authorize us to file a financing statement showing you as the debtor/bailee and us as the secured party/bailor with respect to any Special Tooling. For Special Tooling located in China and as a precaution against any adverse claims, you hereby grant a mortgage over the Special Tooling in favor of us to secure any progress payments advanced against the Special Tooling and a right to title and possession of the Special Tooling. You authorize us to file an application for any registration of the aforesaid mortgage with the relevant authorities and will do all such acts and things as may be required by us for filing such application and procuring such registration, including without limitation execution of a separate mortgage contract if necessary and all the relevant application documents where your signature is required.

5. No Rights, Liens or Security Interests. Special Tooling and Bailed Property are in your possession or control as a bailment from us. You acknowledge that you are a bailee at will of Special Tooling and Bailed Property. You have no property interest or other rights in Special Tooling or Bailed Property nor any power to transfer any rights or grant a security interest in either of them to a third party. To the fullest extent permitted by law, you waive any and all rights you may have to claim a lien, pledge, mortgage or encumbrance of any kind whatsoever with respect to Special Tooling and Bailed Property. Upon your failure to deliver the Special Tooling or Bailed Property at our request, without posting any bond, we will be entitled to, and you agree to allow us entry onto your premises to retrieve the Special Tooling or Bailed Property, and not to oppose our request for any equitable relief, such as injunctive relief, that may be available to us to obtain possession of the Special Tooling or Bailed Property. You agree that such relief shall be available to us notwithstanding the restrictions on initiating court proceedings in the Agreement.

6. Possession of Special Tooling and Bailed Property. You will keep Special Tooling and Bailed Property in your possession and control in good condition, fully covered by insurance, free of liens and encumbrances and will replace them when lost, damaged or destroyed with Special Tooling and Bailed Property in as good condition as what is lost, damaged or destroyed. Nothing in this Section 6 shall be construed as restricting our right to damages if the Special Tooling and Bailed Property are lost, damaged or destroyed. If part of the fabrication, modification, repair or refurbishment of the Special Tooling or Bailed Property requires you to transfer possession to a third-party, you will inform us in advance in writing of the identity of the third-party contractor and the location of the Special Tooling or Bailed Property and obtain our prior written permission.

7. Return of Special Tooling or Bailed Property. All Special Tooling and Bailed Property will be immediately transferred as we may direct at any time upon two (2) business days' notice by us. If you make any unauthorized transfer of Special Tooling or Bailed Property, or you or your suppliers or subcontractors fail to deliver possession to us upon demand, you will reimburse us for any costs we incur in having the Special Tooling or Bailed Property returned to us or moving it as directed by us. You will cooperate with us in removing the Special Tooling from the location of any third party.

8. Third Party Claims. You will defend and indemnify us for all costs incurred, including reasonable attorneys' fees, in connection with any claim that challenges our sole right, title and interest in Special Tooling or Bailed Property brought by any third party claiming any right or interest in the Special Tooling or Bailed Property through you.

9. Tooling Costs. The price of Special Tooling will not exceed the actual costs of acquiring the Special Tooling from a third-party contractor or your actual costs of fabrication of the Special Tooling. You will adhere to our procedures in effect at the time for submitting requests for reimbursement for Special Tooling costs. All requests for reimbursement for Special Tooling costs are subject to our review, approval and audit.

10. Insolvency. If you become insolvent or if a petition under any chapter of the bankruptcy law is filed by or against you or if you make a general assignment for the benefit of creditors or if a receiver is appointed for you, we may immediately obtain custody of all Special Tooling or Bailed Property, and you will be liable for all costs incurred by us, including those for attorneys and other professionals.

11 Your Obligations. Upon expiration or termination of the Agreement, you will take all actions necessary to protect, or transfer to us possession of, any Special Tooling or Bailed Property in your possession or in the possession of your suppliers or subcontractors, and we will pay you, subject to any claims by us against you, for any unpaid Special Tooling that fully conform to the requirements of the Agreement.

12. Disclaimer of Liability. We do not assume any responsibility or commitment towards you or any third party arising in any way out of the possession or use of the Special Tooling or Bailed Property. You agree to indemnify and hold us harmless with respect to any such damage, loss or liability.

13. Conflicts. The provisions of the Agreement, including the Standard Terms and any existing bailment agreement concerning Special Tooling or Bailed products used in connection with the provision of the Supplies shall be construed, to the extent possible, as consistent with these Supplementary Terms and as cumulative; provided, however, if such construction is unreasonable, the terms and conditions of any such other agreement shall control unless otherwise set forth on the face of the Agreement or in a writing signed by the parties.