### **Delphi** Technologies

#### by **№ BorgWarner**

December 10, 2021

Yusuk Cakir
Director, Passenger Manufacturing Facility
Aydinlar Yedek Parca San Ve Tic. A.S.
Büyükkayacıkosb Mah. Vali
İhsan Dede Caddesi
No:7/1 Selçuklu - Konya / TÜRKİYE
cakal.yusuf@aydtr.com
+90 444 4 293

# Re: Notice of Filing Defect Report for Equipment Manufactured by AYD and Reservation of Rights

Dear Mr. Cakir,

We are writing to inform Aydinlar Yedek Parca San Ve Tic. A.S. ("AYD") that BorgWarner Propulsion Systems LLC ("BorgWarner") intends to file a Part 573 Defect and Noncompliance Report with the United States National Highway Traffic Safety Administration ("NHTSA"), regarding the following motor vehicle equipment: Inner Tie Rod, Part Number TA5323, which was manufactured by AYD from 2018 through 2019.

Importers of motor vehicle equipment have a duty under United States federal law to notify NHTSA if they learn that imported motor vehicle equipment contains a potential defect and they decide in good faith that the potential defect is related to motor vehicle safety. BorgWarner has determined in good faith that there exists a potential risk that Inner Tie Rods, Part Number TA5323, which were manufactured by AYD from 2018 through 2019, may experience a separation from the Steering Rack after the Inner Tie Rod has been installed on the vehicle, which could result in a low speed partial loss of steering (the "Potential Defect"). Accordingly, BorgWarner intends to report the Potential Defect to NHTSA, consistent with its mandatory reporting obligations.

BorgWarner has also commenced a remedy process, which is also required under federal law. Specifically, BorgWarner has already quarantined all suspect product remaining in its inventory. It has also requested return of all suspect product from sold-to customers and has offered to replace suspect product, free of charge, with product produced using AYD's corrected manufacturing process.

BorgWarner expects that AYD will make whole BorgWarner for any and all damages or claims related to, arising out of, or resulting from the Potential Defect, per our Master Supply Agreement. BorgWarner further reserves all rights to bring claims against AYD relating to, arising out of, or resulting from the Potential Defect. Neither BorgWarner's filing of the above-referenced report nor its provision of such remedy to customers constitutes an admission of liability to BorgWarner's customers, AYD, or any other party. Likewise, neither the report nor the remedy evidences BorgWarner's intent to indemnify or hold AYD harmless for (1) any damages that BorgWarner,

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its customers, or any other party may suffer as a result of the Potential Defect, or (2) any claims that BorgWarner, its customers, or any other party may have related to, arising out of, or resulting from the Potential Defect.

Any inquiries regarding this matter should be directed to myself at the contact information below.

Sincerely,

Timothy Devine

Global Purchasing Director

That SDW

Delphi Technologies Aftermarket

3000 University Drive

Auburn Hills, MI USA 48326

Tel: +1 248 764 7832 Cell: +1 248 765 0024

tdevine@borgwarner.com

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