

## MEGA TAX CREDIT AGREEMENT

### Siemens VDO Automotive Corporation

This Agreement between the Michigan Economic Growth Authority ("MEGA"), whose address is 300 N. Washington Square, Lansing, Michigan 48913 and Siemens VDO Automotive Corporation, (the "Company"), a Delaware corporation, whose address is 2400 Executive Hills Boulevard, Auburn Hills, Michigan 48326 and whose Employer Identification Number is [REDACTED]

### RECITALS

WHEREAS, the MEGA has been created by the Michigan Economic Growth Authority Act, Act No. 24 of Public Acts of 1995, as amended (the "Act"), with the power to provide tax credits to businesses involved in manufacturing, mining, research and development, wholesale and trade, or office operations.

WHEREAS, the Legislature has determined that it is in the public interest to promote economic growth and to encourage private investment, job creation and job upgrading for the residents of the State of Michigan.

WHEREAS, the MEGA has determined that providing tax credits to the Company for job creation and retention will promote and serve the purposes of the Act.

WHEREAS, the MEGA and the Company desire to set forth the terms and conditions for a MEGA Tax Credit.

NOW, THEREFORE, the parties agree as follows:

## 1.0 DEFINITIONS

- (a) "Act" means Public Act 24 of 1995, as amended.
- (b) "Agreement" means this written agreement.
- (c) "Application" means any information submitted to the MEGA in support of the Company's request for a Tax Credit.
- (d) "Anniversary Date" means December 31, 2007.
- (e) "Authority" or "MEGA" means the Michigan Economic Growth Authority created by the Act.
- (f) "Average Weekly Wage" means the total salaries and wages paid during the applicable tax year to employees performing Qualified New Jobs or Retained Jobs at the Project, divided by 52, divided by the number of Qualified New Jobs or Retained Jobs at the Project.
- (g) "Base Employment Level" means the minimum number of Full-Time Jobs to be maintained at the Company and/or the Related Company, in Michigan, as specified in the column labeled "Minimum Base employment Level" in Schedule A-1 attached to this Agreement.
- (h) "Business" means a proprietorship, joint venture, partnership, trust, business trust, syndicate, association, joint stock company, corporation, cooperative, limited liability company or any other organization.
- (i) "Certificate" or "Tax Credit Certificate" means the certificate required to be issued by the Act which states that the Company is an authorized business, the amount of the Tax Credit authorized for a tax year, and the Company's federal employer identification number or Michigan Treasury number.

(j) "Certificate Application" or "Application for a MEGA Tax Credit Certificate" means the written information submitted each year in support of the Company's request for a Tax Credit Certificate.

(k) "Company" means Siemens VDO Automotive Corporation, EIN 13-3784645, which is an authorized business as defined in the Act, upon execution of this Agreement.

(l) "Facility" means the "Project" or the site within this state at which the Company has committed to creating Qualified New Jobs and/or locating Retained Jobs.

(m) "Full-time Job" means a job performed by an individual who is employed for consideration for 35 hours or more each week and for which the Company withholds income and social security taxes.

(n) "MEGA Employment Credit" or "Employment Credit" means a credit against the Single Business Tax authorized by Section 38g(19)(a) of Public Act 143 of 2000.

(o) "MEGA Tax Credit" or "Tax Credit" means a MEGA Employment Credit.

(p) "Person" means an individual or a Business.

(q) "Project" means the facility at which the Company will create Qualified New Jobs and/or locate Retained Jobs as described under Project Description.

(r) "Qualified New Job" means a Full-time Job at the Project held by a Michigan resident employed by the Company, that is:

(1) created by the Company on or after the date of execution of this Agreement, and

(2) in excess of the Base Employment Level.

(s) "Related Company" means OSRAM, EIN 15-0582085; Siemens Energy & Automation, EIN 39-1280256; Siemens Medical Systems Health Systems, EIN 22-2417778; and/or Siemens VDO Automotive Electronics Corp., EIN 41-2117815.

(t) "Retained Job" means a Full-Time Job held by a Michigan resident employed by the Company that the Company locates at the Project on or after the date of execution of this Agreement.

(u) "Salaries and Wages" means wages, tips and other compensation reported in Box 1 of the employees' W-2 forms.

(v) "Statement of Eligibility" or "Statement" means the certified statement required by Section 4.2 of this Agreement.

## **2.0 REPRESENTATIONS**

**2.1 Representations by the MEGA.** With respect to the Agreement, the MEGA makes the following representations and warranties as of the date of execution of this Agreement:

(a) The MEGA is a public body established and acting pursuant to the Act.

(b) The MEGA has the necessary power under the Act to grant MEGA Tax Credits and has duly taken all action on its part required to authorize,

execute and deliver this Agreement. This Agreement, when executed, will be valid, binding and enforceable in accordance with its terms.

(c) Upon execution of this Agreement, the MEGA will issue the Company's Initial Tax Credit Certificate in the form attached to this Agreement.

**2.2 Representations by the Company.** With respect to the Agreement, the Company makes the following representations and warranties as of the date of execution of this Agreement:

(a) Existence and Power. The Company is validly existing and is in good standing under the laws of the State of Delaware, and is duly qualified to transact business in Michigan.

(b) Corporate Authority. The execution, delivery and performance by the Company of this Agreement have been duly authorized by all necessary corporate action and will not violate any provision of law or of its articles of incorporation or its bylaws.

(c) Full Disclosure. To the best of the Company's knowledge, neither this Agreement, the Company's Application, nor any written statements furnished by the Company to the MEGA in connection with the authorization of a MEGA Tax Credit contain any untrue statement of a material fact or omit a material fact.

(d) Eligibility. The Company will create Qualified New Jobs or maintain Retained Jobs at the Project generally classified under SIC Code 3714.

(e) Project Description. The Company will lease, equip, and operate a facility in which to site a new North American Headquarters in Auburn Hills, Oakland County, so that it can consolidate, retain, and expand research and

development, engineering, labs and offices. The Project will result in the maintenance of the statutory minimums of 150 Retained Jobs at a facility and 1,000 full-time jobs in the State of Michigan, and New Capital Investment in the State of Michigan. The Project will create a minimum of 50 Qualified New Jobs no later than December 31, 2007. The Qualified New Jobs created and Retained Jobs maintained will pay an Average Weekly Wage of at least \$1,413 and at no time will the average wage paid for the Qualified New Jobs or Retained Jobs be less than 150 percent of the federal minimum wage.

The Company believes that the Project is economically sound and affirms that the investment capital and/or financing needed to complete the Project is now committed or will soon be available to the Company. As of October 17, 2006, construction of the Project had not begun.

(f) Need for MEGA Tax Credits. The Tax Credits authorized by this Agreement address the competitive disadvantages of locating in Michigan instead of a site outside this State. The Project will not occur in Michigan without the tax credits offered by this Agreement and the Act.

(g) Site Reuse. The Company has considered the reuse or redevelopment of property previously used for an industrial or commercial purpose and the company has determined the use of such property is feasible in locating the Project.

(h) Certification. The Company has made the certifications required by Section 8(3)(f) of the Act, which are attached to this Agreement as Schedule B.

(i) Binding Agreement. When executed by both parties, this Agreement will be a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

### **3.0 MEGA TAX CREDIT**

Based upon the Application and the Company's representations and warranties in this Agreement, the Authority authorizes the following tax credits subject to the conditions in Section 4.0 of this Agreement.

#### **3.1 Employment Credits**

(a) An Employment Credit equal to 50 percent of the state's personal income tax rate, as it exists at the beginning of the company's tax year for which the credit is being sought, multiplied by the total Salaries and Wages, before deducting any personal or dependency exemptions of employees performing Retaining Jobs. The employment Credit is authorized for ten consecutive tax years beginning with the Company's tax year ending on or before December 31, 2007.

(b) No more than 600 Retained Jobs may be used in calculating the Employment Credit as provided in section 38g(19)(b) of Public Act 143 of 2000.

(c) An Employment Credit equal to 100 percent of the state's personal income tax rate, as it exists at the beginning of the Company's tax year for which the credit is being sought, multiplied by the total Salaries and Wages, before deducting any personal or dependency exemptions of employees performing Qualified new Jobs. The Employment credit is authorized for ten consecutive tax

years beginning with the Company's tax year ending on or before December 31, 2007.

(d) No more than 150 Qualified New Jobs may be used in calculating the employment Credit as provided in Section 37c (2) of Public Act 23 of 1995 for the company's tax year ending September 30, 2007.

(e) No more than 300 Qualified New Jobs may be used in calculating the Employment Credit as provided in Section 37c (2) of Public Act 23 of 1995 for the company's tax year ending September 30, 2008.

(f) No more than 400 Qualified New Jobs may be used in calculating the Employment Credit as provided in Section 37c (2) of Public Act 23 of 1995 for the Company's tax year ending September 30, 2009.

(g) No more than 450 Qualified New Jobs may be used in calculating the Employment Credit as provided in Section 37c (2) of Public Act 23 of 1995 for the Company's tax year ending September 30, 2010.

(h) No more than 500 Qualified New Jobs may be used in calculating the Employment Credit as provided in Section 37c (2) of Public Act 23 of 1995 for the Company's tax year ending September 30, 2011 and beyond.

#### **4.0 CONDITIONS OF THE MEGA TAX CREDITS**

**4.1 Eligibility (Retained Jobs).** The Company shall not be eligible for the Tax Credit on Retained Jobs as provided in Section 3.0 of this Agreement unless:

(a) The statutory minimum of 150 Retained Jobs have been located at the Project and 1,000 full-time jobs have been maintained in this state by the Company and/or Related Company no later than the Anniversary Date.



(b) The Average Weekly Wage paid to all employees performing Retained Jobs is at least \$1,413.

(c) The Company has made New Capital Investment as defined in the Act, in the Project, no later than the Anniversary Date.

**4.2 Eligibility (Qualified New Jobs).** The Company shall not be eligible for the Tax Credit on Qualified New Jobs provided in Section 3.0 of this Agreement unless:

(a) The statutory minimum of 50 Qualified New Jobs have been created at the Project no later than the Anniversary Date.

(b) The Average Weekly Wage paid to all employees performing Qualified New Jobs is at least \$1,413.

(c) The minimum Base Employment Level as required by Schedule A-1 has been maintained.

The Company may not count as a Qualified New Job for a Tax Credit, any job that is transferred to the Project from: (i) a Michigan location of a Business that is listed in the Company's Application, or (ii) a Michigan location of a Business that, on or after the date of the Company's Application, acquires or otherwise gains control of the Company, is acquired or controlled by the Company, or comes under common control with the Company

**4.3 Statement of Eligibility (Retention).** Any time after 150 Retained Jobs have been located at the Project, 1,000 full-time jobs have been maintained in the state by the Company/and or Related Company, and New Capital Investment has been made, but in no case later than 30 days after the Anniversary Date,

and in all cases prior to or concurrent with the first application for a Tax Credit Certificate, the Company shall file a Certified Statement of Eligibility (Retention) in a form specified by the Authority. The Statement shall contain the following information:

(a) The number of Retained Jobs.

(b) The number of full-time jobs maintained by the Company and/or Related Company in the state.

(c) The Average Weekly Wage paid to employees performing Retained Jobs.

(d) The dollar amount of New Capital Investment in the Project.

(e) A certification by an authorized officer of the Company that the information provided in the Statement of Eligibility is true.

**4.4** Statement of Eligibility (Qualified New Jobs). Any time after 50 Qualified New Jobs have been created at the Project, but in no case later than 30 days after the Anniversary Date, and in all cases prior to or concurrent with the first application for a Tax Credit Certificate, the Company shall file a Certified Statement of Eligibility in a form as specified by the Authority from time to time.

The Statement shall contain the following information:

(a) The aggregate number of Full-time Jobs at all Michigan locations of the Company and/or the Related Company, excluding Qualified New Jobs at the Project.

(b) The number of Qualified New Jobs.

(c) The Average Weekly Wage paid to employees performing Qualified New Jobs.

(d) A certification by an authorized officer of the Company that the information provided in the Statement of Eligibility is true.

**4.5** Tax Credit Certificate (Retention). To obtain a Tax Credit Certificate in connection with the tax credits authorized in this Agreement for Retained Jobs in any tax year:

(a) The Company and/or Related Company shall maintain the Required Minimum Number of Full-time Jobs in this state as required by Schedule A of this Agreement, for the applicable tax year. In computing the number of full-time jobs in the state in any tax year, the Company shall determine the number of full-time jobs in the state of the Company and/or Related Company, excluding the Qualified New Jobs at the Project for which it is seeking a tax credit, but including the Retained Jobs, as of the last day of each of the four quarters of the applicable tax year, total the results for the four quarters, and divide the sum by four (4).

(b) The Company shall pay an Average Weekly Wage in connection with the Retained Jobs of at least the amount required by Schedule A of this Agreement for the applicable tax year.

(c) The Company shall pay an average hourly wage in connection with Retained Jobs that equals or exceeds 150 percent of the highest hourly federal minimum wage in effect for the applicable tax year.

(d) The Company shall make an Application to the MEGA for a Tax Credit Certificate as provided in Section 5.0 of this Agreement.

(e) Provided that the Company has initially satisfied the requirements of Section 4.1, failure of the Company to satisfy the requirements of Section 4.5 in any given year does not preclude the Company from qualifying for and obtaining a Tax Credit in any other year, if authorized by Section 3.1 of this Agreement.

**4.6** Tax Credit Certificate (Qualified New Jobs). To obtain a Tax Credit Certificate in connection with the tax credits authorized in this Agreement for Qualified New Jobs in any tax year, the Company shall:

(a) Maintain the minimum number of Qualified New Jobs at the Project, as required by Schedule A-1 of this Agreement, for the applicable tax year. In computing the number of Qualified New Jobs at the Project in any tax year except the first year of the credit, the Company shall determine the number of Qualified New Jobs at the Project as of the last day of each of the four quarters of the applicable tax year, total the results for the four quarters, and divide the sum by four (4).

In computing the number of Qualified New Jobs for the first year of the credit, the Company shall determine the number of Qualified New Jobs as of the last day of each quarter of the applicable tax year and beginning with the first quarter in which there are at least 50 Qualified New Jobs, compute the average number of Qualified New Jobs over the remaining quarters of the tax year.

(b) Pay an Average Weekly Wage in connection with the Qualified New Jobs of at least the amount required by Schedule A-1 of this Agreement for the applicable tax year.

(c) Pay an average hourly wage in connection with Qualified New Jobs that equals or exceeds 150 percent of the highest hourly federal minimum wage in effect for the applicable tax year.

(d) Maintain its Base Employment Level as required by Schedule A-1. In computing the Base Employment Level in any tax year, the Company shall determine the aggregate number of full-time jobs in the state in the Company and/or Related Company, including Retained Jobs, and excluding the Qualified New Jobs at the Project for which it is seeking a Tax Credit, as of the last day of each of the four quarters in that tax year. The sum of the results for the four quarters, divided by four, is the Base Employment Level for that year.

(e) Make an Application to the MEGA for a Tax Credit Certificate as provided in Section 5.0 of this Agreement.

(f) Provided that the Company has initially satisfied the requirements of Section 4.2, failure of the Company to satisfy the requirements of Section 4.6 in any given year does not preclude the Company from qualifying for and obtaining a Tax Credit in any other year authorized by Section 3.1 of this Agreement.

**4.7 Audit and Verification.** The information provided in the Application, the Application for a MEGA Tax Credit Certificate, and the Statement of Eligibility are subject to audit and verification by the Authority or its designee. Upon reasonable advance notice to the Company and/or the Related Company by the Authority, the entity notified shall permit the Authority or its designee, during normal business hours, to inspect its files solely for the purpose of verifying

eligibility for the Tax Credits authorized by this Agreement. The files subject to inspection include, but are not limited to, those relevant to wage and hour records, job classification, job assignments and employment histories.

The Authority or its designee shall use all information received pursuant to inspection of the files solely for the purpose of verifying eligibility for the Tax Credits authorized by this Agreement. The entity which has its files inspected shall be entitled, upon request, to confidentiality pursuant to Section 5(3) of the Act on financial or proprietary information retained by the Authority in the course of its inspection of the files.

**4.8** Administrative Fee. The Company must pay a single administrative fee of \$100,000 to MEGA upon submission of a Certified Statement of Eligibility required by Section 4.3. The administrative fee is one-half of one percent of the MEGA Cost, as reported in current dollars, in the cost/benefit analysis of the Project, as presented to the MEGA at the time the Tax Credit was authorized, except in no case will the Administrative Fee exceed \$100,000. So long as the Company pays the administrative fee required with submission of a Certified Statement of Eligibility, no other administrative fee shall be charged for the certificate required under Section 4.4.

**5.0** ANNUAL APPLICATION FOR TAX CREDIT CERTIFICATE

**5.1** For each year that it seeks a Tax Credit under this Agreement, the Company shall complete an Application for a MEGA Tax Credit Certificate.

**5.2** The Certificate Application shall be filed with the Authority at least 45 days prior to the day the Company's Single Business Tax return is due. If the

Company receives an extension of the deadline to file its Michigan Single Business Tax return, the Company shall notify the MEGA of the extension and the Certificate Application shall be filed with the Authority at least 45 days prior to the extended deadline.

**5.3** The form of the Certificate Application shall be as specified by the Authority from time to time. The Certificate Application shall contain the following information:

- (a) The Base Employment Level.
- (b) The number of Retained Jobs at the Project as of the end of each of the four quarters in the applicable tax year.
- (c) The number of Qualified New Jobs at the Project as of the end of each of the four quarters in the applicable tax year.
- (d) The total Salaries and Wages, before deducting any personal or dependency exemptions, paid to employees who performed Retained Jobs at the Project during the applicable tax year.
- (e) The total Salaries and Wages, before deducting any personal or dependency exemptions, paid to employees who performed Qualified New Jobs at the Project during the applicable tax year.
- (f) Any other information that is reasonably related to determining the applicable Tax Credit.
- (g) A certification by an Authorized Officer of the Company that the information provided in a Certificate Application is true.

**5.4** The information in a Certificate Application is subject to audit and verification by the Authority or its designee consistent with Section 4.7 of this Agreement.

**5.5** Within 45 days of receiving a completed Certificate Application, the MEGA will review that application to determine whether the requirements of this Agreement have been satisfied and, if so, will calculate the credit authorized under this Agreement and issue a Tax Credit Certificate to the Company.

**6.0 ADJUSTMENT, REDUCTION, OR TERMINATION OF CREDITS**

**6.1** If the Company does not comply with the conditions required in either Section 4.1(a), (b) or (c), this Agreement is void, the Company is no longer an authorized business for purposes of the Act and no Tax Credits will be authorized under this Agreement.

**6.2** Failure of the Company to comply with any provision of this Agreement, other than as a result of a clerical or technical error which is corrected when it is discovered to be an error, may result in revocation of the Company's designation as an authorized business or the reduction or loss of Tax Credits for which a Certificate has not yet been issued.

**6.3** A Tax Credit authorized by the Authority is subject to adjustment in any tax year following the tax year for which a Tax Credit Certificate was issued, if the information on which the tax credit certification was based is found to be incorrect or cannot be verified.

**6.4** If the Authority determines that the Company misrepresented information in order to qualify for, or increase the amount of a Tax Credit, the Authority may



revoke the Company's designation as an authorized business and notify the Michigan Department of Treasury of that revocation. Any tax credits that have been received based upon a misrepresentation may be subject to recovery by the State of Michigan.

**6.5** Prior to taking any adverse action against the Company under Sections 6.1, 6.2, 6.3, or 6.4, the Authority shall provide the Company with written notification of its intent to take such action and the basis for that action, and the Authority shall provide the Company with a reasonable opportunity to respond.

#### **7.0 RECOVERY OF CREDIT**

**7.1** If the Company and Related Companies reduce their total employment in Michigan to less than 1,000 full-time jobs in any tax year during the life of the tax credit, the Company shall not be eligible to claim a tax credit to be issued for Retained Jobs for that tax year.

If the Company and Related Companies reduce their total employment in Michigan to less than 500 full-time jobs in any tax year during the life of the tax credit, the Company shall repay the most recent two years of total tax credits it has received under this Agreement for Retained Jobs, including any Amendments that may be made to the Agreement.

**7.2** Any amounts owed the state of Michigan pursuant to this Section 7.1 are due and payable within 90 days of the end of the calendar year in which the employment level falls as described in Section 7.1.

#### **8.0 MISCELLANEOUS**

**8.1** Reporting. Company shall provide the MEGA with the information regarding its participation in the Tax Credit Program as the MEGA may reasonably require while this Agreement is effective.

**8.2** Assignment of Credits. The Tax Credits authorized by this Agreement shall not be transferred or assigned to any other Person. In the event a Person acquires all or substantially all of the assets of the Company in Michigan, after the date of this Agreement, the Authority shall authorize the transfer of the company's rights under this Agreement to that Person if:

(a) The Person agrees in writing to assume all of the responsibilities of the Company under this Agreement.

(b) The Authority determines that the transfer would serve the purposes of the Act and this Agreement, such determination not to be unreasonably withheld or delayed.

**8.3** Severability. If any provision of this Agreement is held illegal or invalid by any court, the invalidity of that provision shall not affect the remainder of this Agreement, and the Agreement shall be construed and enforced as if such illegal or invalid provision had not been in the Agreement.

**8.4** Notices. All notices, certificates, requests or other communications hereunder must be in writing and shall be sufficiently given when delivered, if delivered by registered or certified mail, return receipt requested, or by messenger or professional courier service, addressed as follows:

**If to the MEGA:**

Michigan Economic Development Corporation  
Michigan Economic Growth Authority  
300 North Washington Square  
Lansing, Michigan 48913

Attention: Karen Ammarman

**If to the company:**

Siemens VDO Automotive Corporation  
2400 Executive Hills Boulevard  
Auburn Hills, Michigan 48326  
Attn: Chief Financial Officer

**8.5 Entire Agreement and Amendment.** Subject to the Act, this Agreement and the attached Schedules contain the entire Agreement between the Company and the MEGA with respect to the matters described in the Agreement. This Agreement may not be amended except with the written consent of the Authority and the Company.

**8.6 Captions.** The captions in this Agreement are for convenience only and in no way limit the intent of any provision of this Agreement.

**8.7 Interpretation.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Michigan.

**8.8 Acceptance.** The terms of this Agreement are accepted this 20<sup>th</sup> day of December, 2006.

**Michigan Economic Growth Authority**

By *Karen Ammarman*

Karen Ammarman  
Secretary to the MEGA Board

**Siemens VDO Automotive Corporation**

By *H. W. Zike*

Harry W. Zike  
Chief Financial Officer



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**Siemens VDO Automotive Corporation**  
**Schedule A: Minimum Employment and Wage Levels**

**to Qualify for the Retained Jobs Tax Credits**

<u>Year of Credit</u>	<u>Tax Year Ending on or Before December 31</u>	<u>Required Minimum # of Full-time Jobs at Company &amp;/or Related Company</u>	<u>Minimum Average Weekly Wage</u>
1	2007	1,000	\$1,413
2	2008	1,000	\$1,413
3	2009	1,000	\$1,413
4	2010	1,000	\$1,413
5	2001	1,000	\$1,413
6	2012	1,000	\$1,413
7	2013	1,000	\$1,413
8	2014	1,000	\$1,413
9	2015	1,000	\$1,413
10	2016	1,000	\$1,413

**Siemens VDO Automotive Corporation**

**Schedule A-1: Minimum Employment and Wage Levels**

**to Qualify for the Qualified New Jobs Tax Credits**

<u>Year of Credit</u>	<u>Tax Year Ending on or Before December 31</u>	<u>Minimum # of Qualified New Jobs</u>	<u>Minimum Average Weekly Wage</u>	<u>Minimum Base Employment Level</u>
1	2007	50	\$1,413	1,111
2	2008	50	\$1,413	1,111
3	2009	50	\$1,413	1,111
4	2010	50	\$1,413	1,111
5	2011	50	\$1,413	1,111
6	2012	50	\$1,413	1,111
7	2013	50	\$1,413	1,111
8	2014	50	\$1,413	1,111
9	2015	50	\$1,413	1,111
10	2016	50	\$1,413	1,111

**Siemens VDO Automotive Corporation**

**Schedule B**

Siemens VDO Automotive Corporation certifies that:

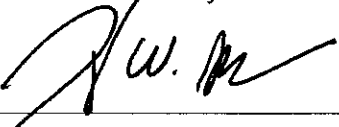
1. It will follow a competitive bid process, open to all Michigan residents and firms, for the construction, rehabilitation, development or renovation of the Facility, and that it will not discriminate against any contractor on the basis of its affiliation or non-affiliation with any collective bargaining organization.

2. It will make a good faith effort to employ, if qualified, Michigan residents at the Facility.

3. It will make a good faith effort to employ or contract with Michigan residents and firms to construct, rehabilitate, develop, or renovate the Facility.

Certified this 20<sup>th</sup> day of December, 2006.

By: \_\_\_\_\_



Harry W. Zike  
Chief Financial Officer

Certificate Number

[REDACTED]

**Initial Tax Credit Certificate**

Issued this 22<sup>nd</sup> day of December, 2006, by the

**Michigan Economic Growth Authority**

to Siemens VDO Automotive Corporation, Employer Identification Number [REDACTED]  
which is an Authorized Business pursuant to Public Act 24 of 1995, as amended.

The MEGA authorizes to Siemens VDO Automotive Corporation, a Qualified New Jobs Employment Credit of 100 percent for ten consecutive tax years, beginning with the Company's tax year ending on or before December 31, 2007 under Section 37c of Public Act 23 of 1995.

The MEGA authorizes to Siemens VDO Automotive Corporation, a Retained Jobs Employment Credit of 50 percent for ten consecutive tax years, beginning with the Company's tax year ending on or before December 31, 2007 under Section 38g(19)(b) of Public Act 143 of 2000.

By Karen Ammann  
Secretary to the MEGA Board

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