

July 20, 2009

To: Our Suppliers

**Subject: 2009 Cost Recovery Administration Fee**

Based on questions received from some of our suppliers we would like to clarify the actual cost Remy charges for administering and tracking a cost recovery related to supplier performance issues.

Since instituting the Supplier Cost Recovery Process, as part of the Remy SCAR/SPM system in 2007, we have continued to evaluate the cost to Remy of administering and tracking a cost recovery from our suppliers.

The original cost of \$250 USD was an estimate we made at the launch of the new Recovery Process based on workflow maps. The original workflows did not anticipate the amount of accounting work needed to reconcile the records at the plant and at Remy Headquarters. As a result of this additional accounting workload the cost to administer this program changed and effective October 2008, we adjusted the Remy Recovery Administration Fee from \$250 USD to \$500 USD.

Should you have further questions regarding the Remy Supplier Recovery Process, please visit our website (<http://www.remyinc.com/suppliers.asp>) or contact your local Remy Supplier Quality representative.

Sincerely,



Jeff Kingston  
Director, Global Supplier Quality

Laszlo Gal  
Director, Global Commodity Management