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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly Period Ended September 30, 2008

Or

o **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Transition Period from to

Commission File Number 333-100351

TRIMAS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**38-2687639**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

39400 Woodward Avenue, Suite 130
Bloomfield Hills, Michigan 48304
(Address of principal executive offices, including zip code)

(248) 631-5450
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large Accelerated Filer o Accelerated Filer ☒ Non-Accelerated Filer o Smaller Reporting Company o
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☒

As of November 10, 2008, the number of outstanding shares of the Registrant's common stock, $.01 par value, was 33,445,841 shares.

TriMas Corporation

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Forward-Looking Statements

This report contains forward-looking statements (as that term is defined by the federal securities laws) about our financial condition, results of operations and business. You can find many of these statements by looking for words such as "may," "will," "expect," "anticipate," "believe," "estimate" and similar words used in this report.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties. Because the statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. We caution readers not to place undue reliance on the statements, which speak only as of the date of this report.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this report include general economic conditions in the markets in which we operate and industry-related and other factors such as:

- Our businesses depend upon general economic conditions and we serve some customers in highly cyclical industries. As a result, we are subject to the loss of sales and margins due to an economic downturn or recession, which could negatively affect us;

- Many of the markets we serve are highly competitive, which could limit the volume of products that we sell and reduce our operating margins. We also face the risk of lower cost foreign manufacturers located in China, Southeast Asia and other regions competing in the markets for our products, and we may be adversely impacted;

- Increases in our raw material or energy costs or the loss of critical suppliers could adversely affect our profitability and other financial results;

- We may be unable to successfully implement our business strategies. Our ability to realize benefits from our business strategies may be limited;

- Our products are typically highly engineered or customer-driven and, as such, we are subject to risks associated with changing technology and manufacturing techniques, which could place us at a competitive disadvantage;

- We depend on the services of key individuals and relationships, the loss of which could materially harm us;

- We have substantial debt and interest payment requirements that may restrict our future operations and impair our ability to meet our obligations;

- Restrictions in our debt instruments and accounts receivable facility limit our ability to take certain actions and breaches thereof could impair our liquidity;

- We may be unable to protect our intellectual property or face liability associated with the use of products for which intellectual property rights are claimed;

- We have significant goodwill and intangible assets. We incurred a significant impairment of our goodwill in 2007 and 2006. If we experience declines in sales and operating profit, do not meet our current and forecasted operating budget, or experience significant declines in our stock price, we may be subject to future impairment charges. Future impairment of our goodwill and intangible assets could have a material adverse impact on our financial results;

- We may incur material losses and costs as a result of product liability, recall and warranty claims that may be brought against us;

- Our business may be materially and adversely affected by compliance obligations and liabilities including environmental and other laws and regulations;

- Historically, we have grown primarily through acquisitions. If we are unable to identify attractive acquisition candidates, successfully integrate acquired operations or realize the intended benefits of our acquisitions, we may be adversely affected;

- We have significant operating lease obligations. Failure to meet those obligations could adversely affect our financial condition;

- We may be subject to work stoppages and further unionization at our facilities or our customers or suppliers may be subjected to work stoppages, which could seriously impact the profitability of our business;

- Our pension and healthcare costs for active employees and retirees may exceed our projections and may negatively affect our financial results; and

- A growing portion of our sales may be derived from international sources, which exposes us to certain risks which may adversely affect our financial results.

We disclose important factors that could cause our actual results to differ materially from our expectations under Item 2. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and elsewhere in this report. These cautionary statements qualify all forward-looking statements attributed to us or persons acting on our behalf. When we indicate that an event, condition or circumstance could or would have an adverse effect on us, we mean to include effects upon our business, financial and other condition, results of operations, prospects and ability to service our debt.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TriMas Corporation

Consolidated Balance Sheet

(Unaudited—dollars in thousands)

	September 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 4,650	$ 4,800
Receivables, net	136,500	89,370
Inventories, net	198,690	190,590
Deferred income taxes	18,860	18,860
Prepaid expenses and other current assets	8,730	7,010
Assets of discontinued operations held for sale	2,860	3,330
Total current assets	370,290	313,960
Property and equipment, net	191,630	195,120
Goodwill	377,450	377,340
Other intangibles, net	205,300	214,290
Other assets	21,340	27,280
Total assets	$ 1,166,010	$ 1,127,990
Liabilities and Shareholders' Equity		
Current liabilities:		
Current maturities, long-term debt	$ 12,440	$ 8,390
Accounts payable	127,150	121,860
Accrued liabilities	72,310	71,830
Liabilities of discontinued operations	1,250	1,450
Total current liabilities	213,150	203,530
Long-term debt	603,350	607,600
Deferred income taxes	83,990	73,280
Other long-term liabilities	34,870	35,090
Total liabilities	935,360	919,500
Preferred stock $0.01 par: Authorized 100,000,000 shares; Issued and outstanding: None	—	—
Common stock, $0.01 par: Authorized 400,000,000 shares; Issued and outstanding: 33,445,841 shares at September 30, 2008 and 33,409,500 shares December 31, 2007	330	330
Paid-in capital	527,120	525,960
Accumulated deficit	(348,330)	(373,970)
Accumulated other comprehensive income	51,530	56,170
Total shareholders' equity	230,650	208,490
Total liabilities and shareholders' equity	$ 1,166,010	$ 1,127,990

The accompanying notes are an integral part of these financial statements.

TriMas Corporation

Consolidated Statement of Operations

(Unaudited—dollars in thousands, except for per share amounts)

	Three months ended September 30, 2008	Three months ended September 30, 2007	Nine months ended September 30, 2008	Nine months ended September 30, 2007
Net sales	$ 276,900	$ 258,650	$ 853,540	$ 830,760
Cost of sales	(205,150)	(188,730)	(629,700)	(603,190)
Gross profit	71,750	69,920	223,840	227,570
Selling, general and administrative expenses	(43,910)	(42,650)	(137,820)	(133,510)
Advisory services agreement termination fee	—	—	—	(10,000)
Costs for early termination of operating leases	—	—	—	(4,230)
Gain (loss) on dispositions of property and equipment	50	(1,790)	(170)	(1,680)
Operating profit	27,890	25,480	85,850	78,150
Other expense, net:				
Interest expense	(13,570)	(15,720)	(42,160)	(52,920)
Debt extinguishment costs	—	—	—	(7,440)
Other, net	(480)	(1,230)	(3,010)	(3,450)
Other expense, net	(14,050)	(16,950)	(45,170)	(63,810)
Income from continuing operations before income tax expense	13,840	8,530	40,680	14,340
Income tax expense	(5,540)	(3,110)	(15,210)	(5,230)
Income from continuing operations	8,300	5,420	25,470	9,110
Income from discontinued operations, net of income tax expense	20	1,160	170	1,330
Net income	$ 8,320	$ 6,580	$ 25,640	$ 10,440
Earnings per share—basic:				
Continuing operations	$ 0.25	$ 0.16	$ 0.76	$ 0.34
Discontinued operations, net of income tax expense	—	0.04	0.01	0.05
Net income per share	$ 0.25	$ 0.20	$ 0.77	$ 0.39
Weighted average common shares—basic	33,420,560	33,409,500	33,413,214	26,843,749
Earnings per share—diluted:				
Continuing operations	$ 0.25	$ 0.16	$ 0.76	$ 0.34
Discontinued operations, net of income tax expense	—	0.04	0.01	0.05
Net income per share	$ 0.25	$ 0.20	$ 0.77	$ 0.39
Weighted average common shares—diluted	33,469,027	33,409,500	33,441,448	26,843,749

The accompanying notes are an integral part of these financial statements.

TriMas Corporation

Consolidated Statement of Cash Flows

(Unaudited—dollars in thousands)

	Nine months ended September 30,	
	2008	2007
Net income	$ 25,640	$ 10,440
Adjustments to reconcile net income to net cash provided by operating activities, net of acquisition impact:		
Loss on dispositions of property and equipment	40	1,570
Depreciation	20,740	18,730
Amortization of intangible assets	11,700	11,650
Amortization of debt issue costs	1,840	4,580
Deferred income taxes	9,360	700
Non-cash compensation expense	1,160	340
Net proceeds from (reductions in) sale of receivables and receivables securitization	(26,730)	28,610
Increase in receivables	(19,270)	(30,970)
Increase in inventories	(7,640)	(10,790)
Decrease in prepaid expenses and other assets	4,370	2,320
Increase in accounts payable and accrued liabilities	4,690	8,090
Other, net	(3,110)	1,610
Net cash provided by operating activities, net of acquisition impact	22,790	46,880
Cash Flows from Investing Activities:		
Capital expenditures	(20,100)	(22,520)
Acquisition of leased assets	—	(29,960)
Acquisition of businesses, net of cash acquired	(6,350)	(13,540)
Net proceeds from disposition of businesses and other assets	2,260	6,150
Net cash used for investing activities	(24,190)	(59,870)
Cash Flows from Financing Activities:		
Proceeds from sale of common stock in connection with the Company's initial public offering, net of issuance costs	—	126,460
Repayments of borrowings on senior credit facilities	(4,270)	(2,600)
Proceeds from term loan facilities	490	—
Proceeds from borrowings on revolving credit facilities	346,160	399,580
Repayments of borrowings on revolving credit facilities	(341,130)	(409,890)
Retirement of senior subordinated notes	—	(100,000)
Net cash provided by financing activities	1,250	13,550
Cash and Cash Equivalents:		
Increase (decrease) for the period	(150)	560
At beginning of period	4,800	3,600
At end of period	$ 4,650	$ 4,160
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 32,240	$ 40,880
Cash paid for taxes	$ 6,460	$ 6,840

The accompanying notes are an integral part of these financial statements.

TriMas Corporation

Consolidated Statement of Shareholders' Equity

Nine months Ended September 30, 2008

(Unaudited—dollars in thousands)

	Common Stock	Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balances, December 31, 2007	$ 330	$ 525,960	$ (373,970)	$ 56,170	$ 208,490
Comprehensive income:					
Net income	—	—	25,640	—	25,640
Amortization of defined benefit plan deferred losses (net of tax of $0.1 million) (Note 16)	—	—	—	170	170
Foreign currency translation	—	—	—	(5,840)	(5,840)
Change in fair value of cash flow hedge (net of tax of $0.6 million) (Note 10)	—	—	—	1,030	1,030
Total comprehensive income					21,000
Non-cash compensation expense	—	1,160	—	—	1,160
Balances, September 30, 2008	$ 330	$ 527,120	$ (348,330)	$ 51,530	$ 230,650

The accompanying notes are an integral part of these financial statements.

1. Basis of Presentation

TriMas Corporation ("TriMas" or the "Company"), and its consolidated subsidiaries, is a global manufacturer and distributor of products for commercial, industrial and consumer markets. The Company is principally engaged in five business segments with diverse products and market channels. Packaging Systems is a manufacturer and distributor of steel and plastic closure caps, drum enclosures, rings and levers, dispensing systems for industrial and consumer markets, as well as specialty laminates, jacketings and insulation tapes used with fiberglass insulation as vapor barriers in commercial and industrial construction applications. Energy Products is a manufacturer and distributor of a variety of engines, engine replacement parts and other well site products for the oil and gas industry as well as metallic and non-metallic industrial gaskets and fasteners and fasteners for the petroleum refining, petrochemical and other industrial markets. Industrial Specialties designs and manufactures a diverse range of industrial products for use in niche markets within the aerospace, industrial, automotive, defense, and medical equipment markets. These products include highly engineered specialty fasteners for the aerospace industry, high-pressure and low-pressure cylinders for the transportation, storage and dispensing of compressed gases, spinal and trauma implant products for the medical industry, specialty fasteners for the automotive industry, specialty precision tools such as center drills, cutters, end mills, reamers, master gears, punches, and specialty ordnance components. RV & Trailer Products is a manufacturer and distributor of custom-engineered trailer products, brake control solutions, lighting accessories and roof racks for the recreational vehicle, agricultural/industrial, marine, automotive and commercial trailer markets. Recreational Accessories manufactures towing products, functional vehicle accessories and cargo management solutions including vehicle hitches and receivers, sway controls, weight distribution and fifth-wheel hitches, hitch-mounted accessories, and other accessory components which are distributed through independent installers and retail outlets.

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries and in the opinion of management, contain all adjustments, including adjustments of a normal and recurring nature, necessary for a fair presentation of financial position and results of operations. Results of operations for interim periods are not necessarily indicative of results for the full year. The accompanying consolidated financial statements and notes thereto should be read in conjunction with the Company's 2007 Annual Report on Form 10-K.

2. Initial Public Offering

During the second quarter of 2007, the Company completed the sale of 12,650,000 shares of common stock to the public pursuant to an effective registration statement at a price of $11.00 per share. Gross proceeds from the common stock offering were $139.2 million. Net proceeds from the offering, after deducting underwriting discounts and commissions of $9.7 million and offering expenses of $3.0 million, totaled approximately $126.5 million. The net proceeds of $126.5 million, together with approximately $10.1 million of cash on hand and revolving credit borrowings, were utilized to retire $100.0 million of senior subordinated notes, to early terminate $21.7 million of operating leases, to terminate the Company's advisory services agreement with Heartland Industrial Partners ("Heartland") for $10.0 million and for the call premium of $4.9 million associated with the retirement of the senior subordinated notes.

3. Discontinued Operations and Assets Held for Sale

During the fourth quarter of 2007, the Company committed to a plan to sell its rocket launcher and property management lines of business, both of which were part of the Industrial Specialties operating segment. The Company sold the assets of the rocket launcher business in December 2007.

During the fourth quarter of 2005, the Company committed to a plan to sell three operating locations within its industrial fastening business. Two of the operating locations were sold in December 2006 and the third, the Frankfort operating location, was sold in February 2007.

The results of the Frankfort operating location, the rocket launcher business and the property management business are reported as discontinued operations for all periods presented.

Results of discontinued operations are summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	(dollars in thousands)		(dollars in thousands)	
Net sales	$ 760	$ 3,530	$ 2,420	$ 15,490
Income from discontinued operations before income tax expense	$ 40	$ 1,900	$ 270	$ 3,060
Income tax expense	(20)	(740)	(100)	(1,730)
Income from discontinued operations, net of income tax expense	$ 20	$ 1,160	$ 170	$ 1,330

Assets and liabilities of the discontinued operations held for sale are summarized as follows:

	September 30, 2008	December 31, 2007
	(dollars in thousands)	
Receivables, net	$ 410	$ 940
Inventories, net	110	60
Property and equipment, net	2,340	2,330
Total assets	$ 2,860	$ 3,330
Accounts payable	$ 140	$ 60
Accrued liabilities and other	1,110	1,390
Total liabilities	$ 1,250	$ 1,450

4. Huntsville Plant Closure

In October 2007, the Company announced plans to close its manufacturing facility in Huntsville, Ontario, Canada and consolidate its operations into the Company's Goshen, Indiana manufacturing facility. These actions were substantially complete as of December 31, 2007. As a result of these actions, the Company recorded a pre-tax charge within its Recreational Accessories segment of approximately $9.0 million in the fourth quarter of 2007, of which approximately $5.6 million related to

4. Huntsville Plant Closure (Continued)

cash costs incurred as a part of the closure as determined under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," primarily relating to severance benefits to approximately 160 employees terminated as a part of the closure. The remaining $3.4 million of the pre-tax charge related to impairment of assets recorded in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," to reduce the book value of the building and building improvements and certain machinery and equipment assets that the Company will no longer utilize to management's estimate of net realizable value. As of September 30, 2008, the Company has paid approximately $5.2 million of the cash costs of the facility closure, with the remaining $0.4 million expected to be paid by early 2009.

In addition, the Company expected to incur approximately $0.7 million in estimated costs and expenses in 2008 resulting from completion of the consolidation into the Goshen facility and recording severance and other benefits for approximately 10 key employees who remained with the Company to assist in finalizing the closure. The Company recorded approximately $0.1 million and $0.7 million, respectively, related to these activities during the three and nine month periods ended September 30, 2008.

5. Acquisitions

In January 2008, the Company acquired Parkside Towbars, Pty. Ltd. ("Parkside"), located in Western Australia, strengthening the Company's position in international markets and expanding the Company's towing and truck accessory product offering. Parkside is included in the Company's RV & Trailer Products segment.

During the third quarter of 2007, the Company completed two acquisitions. On July 12, 2007, the Company acquired certain assets from Quest Technologies LLC, expanding the Company's fifth-wheel product offerings in its Recreational Accessories segment. In addition, on August 1, 2007, the Company acquired all of the capital stock of DEW Technologies, Inc., a manufacturer of specialty, high-precision spinal and trauma implant products serving the orthopedic device industry. DEW Technologies is included in the Company's Industrial Specialties segment and broadens the Company's product offerings in the medical device industry.

The purchase price for each of the three acquisitions is subject to adjustments resulting from earn-out clauses based on future operating results. These earn-out clauses extend up to five years. Total combined adjustments, primarily related to earn-out clauses, to the purchase price for these three acquisitions in 2008 were approximately $4.1 million (see Note 6).

The results of operations of the aforementioned acquisitions are not significant compared to the overall results of operations of the Company.

6. Goodwill and Other Intangible Assets

Changes in the carrying amount of goodwill for the nine months ended September 30, 2008 are summarized as follows:

	Packaging Systems	Energy Products	Industrial Specialties	RV & Trailer Products	Recreational Accessories	Total
			(dollars in thousands)			
Balance, December 31, 2007	$190,690	$46,050	$64,950	$42,190	$33,460	$377,340
Goodwill from acquisitions	—	—	3,380	600	110	4,090
Foreign currency translation and other	(3,450)	(280)	—	(250)	—	(3,980)
Balance, September 30, 2008	$187,240	$45,770	$68,330	$42,540	$33,570	$377,450

The gross carrying amounts and accumulated amortization of the Company's other intangibles as of September 30, 2008 and December 31, 2007 are summarized below. The Company amortizes these assets over periods ranging from 1 to 30 years.

Intangible Category by Useful Life	As of September 30, 2008 Gross Carrying Amount	As of September 30, 2008 Accumulated Amortization	As of December 31, 2007 Gross Carrying Amount	As of December 31, 2007 Accumulated Amortization
	(dollars in thousands)			
Customer relationships:				
6 - 12 years	$ 29,700	$ (19,680)	$ 27,980	$ (17,910)
15 - 25 years	169,190	(56,080)	169,190	(49,190)
Total customer relationships	198,890	(75,760)	197,170	(67,100)
Technology and other:				
1 - 15 years	27,300	(20,460)	26,630	(18,190)
17 - 30 years	41,460	(14,160)	40,830	(12,690)
Total technology and other	68,760	(34,620)	67,460	(30,880)
Trademark/Trade names (indefinite life)	52,120	(4,090)	51,990	(4,350)
	$ 319,770	$ (114,470)	$ 316,620	$ (102,330)

Amortization expense related to technology and other intangibles was approximately $1.0 million for each of the three months ended September 30, 2008 and 2007, respectively, and $3.0 million and $3.1 million for the nine months ended September 30, 2008 and 2007, respectively. These amounts are included in cost of sales in the accompanying consolidated statement of operations. Amortization expense related to customer intangibles was $2.9 million and $2.8 million, and $8.7 million and $8.5 million for the three and nine months ended September 30, 2008 and 2007, respectively. These amounts are included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

7. Accounts Receivable Securitization

TriMas is party to a receivables securitization facility through TSPC, Inc. ("TSPC"), a wholly-owned subsidiary, to sell trade accounts receivable of substantially all of the Company's domestic business operations. The Company renewed this facility in February 2008, with the most significant changes being reducing the committed funding from $125.0 million to $90.0 million and reducing the usage fee from 1.35% to 1.05%. Renewal costs approximated $0.3 million.

TSPC from time to time may sell an undivided fractional ownership interest in the pool of receivables up to approximately $90.0 million to a third party multi-seller receivables funding company. The net proceeds of sales are less than the face amount of accounts receivable sold by an amount that approximates the purchaser's financing costs, which amounted to a total of $0.6 million and $1.1 million, and $1.9 million and $3.0 million for the three and nine months ended September 30, 2008 and 2007, respectively. Such amounts are included in other, net in the accompanying consolidated statement of operations. As of September 30, 2008 and December 31, 2007, the Company's funding under the facility was approximately $11.0 million and $41.5 million, respectively, with an additional $48.8 million and $5.0 million, respectively, available but not utilized. The Company had pledged receivables of approximately $93.4 million and $29.7 million under the program as of September 30, 2008 and December 31, 2007, respectively, which are included in receivables in the accompanying consolidated balance sheet. The usage fee under the facility is 1.05%. In addition, the Company is required to pay a fee of 0.5% on the unused portion of the facility. This facility expires on February 20, 2009.

The financing costs are determined by calculating the estimated present value of the receivables sold compared to their carrying amount. The estimated present value factor is based on historical collection experience and a discount rate representing a spread over a commercial paper-based rate as prescribed under the terms of the securitization agreement. As of September 30, 2008 and 2007, the financing costs were based on an average liquidation period of the portfolio of approximately 1.3 months and 1.2 months, respectively, and an average discount rate of 2.2% and 2.9%, at September 30, 2008 and 2007, respectively.

In the three and nine months ended September 30, 2008 and 2007, the Company sold an undivided interest in approximately $3.8 million and $3.9 million, and $12.6 million and $11.9 million, respectively, of accounts receivable under a factoring arrangement at three of its European subsidiaries. These transactions were accounted for as a sale and the receivables were sold at a discount from face value approximating 3.4% and 2.2%, and 2.5% and 1.9%, respectively. Costs associated with these transactions were approximately $0.1 million for each of the three months ended September 30, 2008 and 2007, and $0.3 million and $0.2 million for the nine months ended September 30, 2008 and 2007, respectively, and are included in other, net in the accompanying consolidated statement of operations.

8. Inventories

Inventories consist of the following:

	September 30, 2008	December 31, 2007
	(dollars in thousands)	
Finished goods	$ 117,310	$ 117,680
Work in process	31,170	28,310
Raw materials	50,210	44,600
Total inventories	$ 198,690	$ 190,590

9. Property and Equipment, Net

Property and equipment consists of the following:

	September 30, 2008	December 31, 2007
	(dollars in thousands)	
Land and land improvements	$ 5,070	$ 5,430
Buildings	45,560	45,430
Machinery and equipment	287,830	273,410
	338,460	324,270
Less: Accumulated depreciation	146,830	129,150
Property and equipment, net	$ 191,630	$ 195,120

Depreciation expense was $6.8 million and $7.0 million, and $20.6 million and $18.6 million for the three and nine months ended September 30, 2008 and 2007, respectively.

10. Long-term Debt

The Company's long-term debt consists of the following:

	September 30, 2008	December 31, 2007
	(dollars in thousands)	
U.S. bank debt	$ 257,690	$ 257,410
Non-U.S. bank debt and other	21,020	21,610
9 7/8% senior subordinated notes, due June 2012	337,080	336,970
	615,790	615,990
Less: Current maturities, long-term debt	12,440	8,390
Long-term debt	$ 603,350	$ 607,600

10. Long-term Debt (Continued)

U.S. Bank Debt

The Company is a party to a credit facility consisting of a $90.0 million revolving credit facility, a $60.0 million deposit-linked supplemental revolving credit facility and a $260.0 million term loan facility (collectively, the "Credit Facility"). Under the Credit Facility, the revolving credit facilities mature on August 2, 2011, while the term loan matures on August 2, 2013 (or February 28, 2012 if the Company's existing senior subordinated notes are still outstanding as of that date). Under the Credit Facility, the Company is also able to issue letters of credit, not to exceed $65.0 million in aggregate, against its revolving credit facility commitments. At September 30, 2008 and December 31, 2007, the Company had letters of credit of approximately $34.0 million and $35.5 million, respectively, issued and outstanding. The weighted average interest rate on borrowings under the Credit Facility was 5.43% and 7.84% at September 30, 2008 and December 31, 2007, respectively.

At September 30, 2008, the Company had $2.9 million outstanding under its revolving credit facility and had an additional $113.1 million potentially available after giving effect to the $34.0 million letters of credit issued and outstanding. However, including availability under its accounts receivable facility and after consideration of leverage restrictions contained in the Credit Facility, the Company had approximately $141.6 million of capacity available to it under its revolving credit facility and receivables securitization for general corporate purposes.

During 2008, the Company entered into an interest rate swap agreement to fix the LIBOR-based variable portion of its interest rate on $125.0 million notional amount of its term loan facility at 2.73%. The swap extends through October 2009. The Company has designated this swap agreement as a cash flow hedge and accounts for it in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," whereby the effective portion of the hedge gains and losses are deferred in accumulated other comprehensive income (loss) until the hedged transactions occur, at which time the deferred gains or losses are reclassified into earnings to match the change in cost of the transaction. The Company believes the cash flow hedge is "effective" as defined in SFAS No. 133, as changes in the cash flows of the interest rate swap are expected to exactly offset the changes in the cash flows of variable rate debt attributable to fluctuation in the LIBOR. The fair value of this swap agreement at September 30, 2008, as estimated using the 90 day LIBOR (level 2 input) as of September 30, 2008, was approximately $1.7 million, of which approximately $1.3 million is included in other current assets and approximately $0.4 million is included in other long-term assets in the accompanying consolidated balance sheet.

The bank debt is an obligation of the Company and its subsidiaries. Although the terms of the Credit Facility do not restrict the Company's subsidiaries from making distributions to it in respect of its $9^{7}/8$% senior subordinated notes, it does contain certain other limitations on the distribution of funds from TriMas Company LLC, the principal subsidiary, to the Company. The restricted net assets of the guarantor subsidiaries, of approximately $562.7 million and $528.4 million at September 30, 2008 and December 31, 2007, respectively, are presented in the financial information in Note 18, "*Supplemental Guarantor Condensed Consolidating Financial Information*." The Credit Facility also contains various negative and affirmative covenants and other requirements affecting the Company and its subsidiaries, including: restrictions on incurrence of debt, except for permitted acquisitions and subordinated indebtedness, liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, asset dispositions, sale-leaseback transactions greater than $90.0 million if sold at fair market value, hedging

10. Long-term Debt (Continued)

agreements, dividends and other restricted junior payments, stock repurchases, transactions with affiliates, restrictive agreements and amendments to charters, by-laws, and other material documents. The Credit Facility also requires the Company and its subsidiaries to meet certain restrictive financial covenants and ratios computed quarterly, including a leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility over consolidated EBITDA, as defined), interest expense ratio (consolidated EBITDA, as defined, over cash interest expense, as defined) and a capital expenditures covenant. The Company was in compliance with its covenants at September 30, 2008.

Principal payments required on the Credit Facility term loan are: $0.7 million due each calendar quarter through June 30, 2013, with $242.5 million due on August 2, 2013 (which may be changed to February 2012 if the Company's senior subordinated notes are still outstanding at that time).

Non-U.S. bank debt

In the United Kingdom, the Company's subsidiary is party to a revolving debt agreement which is secured by a letter of credit under the Credit Facility. At September 30, 2008, the balance outstanding under this arrangement was $0.1 million at an interest rate of 6.20%. At December 31, 2007, there was no balance outstanding under this arrangement.

In Italy, the Company's subsidiary is party to a loan agreement for a term of seven years, at a rate 0.75% above EURIBOR (Euro Interbank Offered Rate), and is secured by land and buildings of the subsidiary. At September 30, 2008, the balance outstanding under this agreement was $2.4 million at an interest rate of 6.03%. At December 31, 2007, the balance outstanding under this agreement was approximately $4.0 million at an interest rate of 5.5%.

In Australia, the Company's subsidiary is party to a debt agreement which matures December 31, 2010 and is secured by substantially all the assets of the subsidiary. At September 30, 2008, the balance outstanding under this agreement was $18.4 million at a weighted average interest rate of 7.3%. At December 31, 2007, the balance outstanding under this agreement was approximately $17.5 million at a weighted average interest rate of 7.1%.

Notes

During the second quarter of 2007, the Company utilized approximately $104.9 million of the proceeds from its initial public offering of common stock to retire $100.0 million of face value $9^7/8$% senior subordinated notes due 2012 ("Notes"), paying a $4.9 million call premium to effect the retirement.

The Notes indenture contains negative and affirmative covenants and other requirements that are comparable to those contained in the Credit Facility. At September 30, 2008, the Company was in compliance with all such covenant requirements.

11. Commitments and Contingencies

A civil suit was filed in the United States District Court for the Central District of California in December 1988 by the United States of America and the State of California against more than 180 defendants, including us, for alleged release into the environment of hazardous substances disposed of at the Operating Industries, Inc. site in California. This site served for many years as a depository for municipal and industrial waste. The plaintiffs have requested, among other things, that the defendants clean up the contamination at that site. Consent decrees have been entered into by the plaintiffs and a group of the defendants, including us, providing that the consenting parties perform certain remedial work at the site and reimburse the plaintiffs for certain past costs incurred by the plaintiffs at the site. We estimate that our share of the clean-up costs will not exceed $500,000, for which we have insurance proceeds. Plaintiffs had sought other relief such as damages arising out of claims for negligence, trespass, public and private nuisance, and other causes of action, but the consent decree governs the remedy. Based upon our present knowledge and subject to future legal and factual developments, we do not believe that this matter will have a material adverse effect on our financial position, results of operations or cash flows.

As of September 30, 2008, we were a party to approximately 721 pending cases involving an aggregate of approximately 7,497 claimants alleging personal injury from exposure to asbestos containing materials formerly used in gaskets (both encapsulated and otherwise) manufactured or distributed by certain of our subsidiaries for use primarily in the petrochemical refining and exploration industries. The following chart summarizes the number of claimants, number of claims filed, number of claims dismissed, number of claims settled, the average settlement amount per claim and the total defense costs, exclusive of amounts reimbursed under our primary insurance, at the applicable date and for the applicable periods:

	Claims pending at beginning of period	Claims filed during period	Claims dismissed during period	Claims settled during period	Average settlement amount per claim during period	Total defense costs during period
Fiscal year ended December 31, 2007	10,551	619	1,484	142	$ 9,243	$ 4,982,000
Nine months ended September 30, 2008	9,544	603	2,591	59	$ 2,172	$ 2,899,000

In addition, we acquired various companies to distribute our products that had distributed gaskets of other manufacturers prior to acquisition. We believe that many of our pending cases relate to locations at which none of our gaskets were distributed or used.

We may be subjected to significant additional asbestos-related claims in the future, the cost of settling cases in which product identification can be made may increase, and we may be subjected to further claims in respect of the former activities of our acquired gasket distributors. We note that we are unable to make a meaningful statement concerning the monetary claims made in the asbestos cases given that, among other things, claims may be initially made in some jurisdictions without specifying the amount sought or by simply stating the requisite or maximum permissible monetary relief, and may be amended to alter the amount sought. The large majority of claims do not specify the amount sought. Of the 7,497 claims pending at September 30, 2008, 192 set forth specific amounts of damages (other than those stating the statutory minimum or maximum). 154 of the 192 claims sought between $1.0 million and $5.0 million in total damages (which includes compensatory and punitive damages), 36 sought between $5.0 million and $10.0 million in total damages (which includes compensatory and

11. Commitments and Contingencies (Continued)

punitive damages) and 2 sought over $10.0 million (which includes compensatory and punitive damages) . Solely with respect to compensatory damages, 159 of the 192 claims sought between $50,000 and $600,000, 31 sought between $1.0 million and $5.0 million and 2 sought over $5.0 million. Solely with respect to punitive damages, 155 of the 192 claims sought between $0 and $2.5 million, 36 sought between $2.5 and $5.0 million and 1 sought over $5.0 million. In addition, relatively few of the claims have reached the discovery stage and even fewer claims have gone past the discovery stage.

Total settlement costs (exclusive of defense costs) for all such cases, some of which were filed over 20 years ago, have been approximately $5.2 million. All relief sought in the asbestos cases is monetary in nature. To date, approximately 50% of our costs related to settlement and defense of asbestos litigation have been covered by our primary insurance. Effective February 14, 2006, we entered into a coverage-in-place agreement with our first level excess carriers regarding the coverage to be provided to us for asbestos-related claims when the primary insurance is exhausted. The coverage-in-place agreement makes coverage available to us that might otherwise be disputed by the carriers and provides a methodology for the administration of asbestos litigation defense and indemnity payments. The coverage in place agreement allocates payment responsibility among the primary carrier, excess carriers and the Company's subsidiary.

Based on the settlements made to date and the number of claims dismissed or withdrawn for lack of product identification, we believe that the relief sought (when specified) does not bear a reasonable relationship to our potential liability. Based upon our experience to date and other available information (including the availability of excess insurance), we do not believe that these cases will have a material adverse effect on our financial position and results of operations or cash flows.

We are subject to other claims and litigation in the ordinary course of our business, but do not believe that any such claim or litigation will have a material adverse effect on our financial position and results of operations or cash flows.

12. Related Parties

Metaldyne Corporation

In connection with the Company's reorganization in June 2002, TriMas assumed approximately $37.0 million of liabilities and obligations of Metaldyne Corporation ("Metaldyne"), mainly comprised of contractual obligations to former TriMas employees, tax related matters, benefit plan liabilities and reimbursements to Metaldyne for normal course payments made on TriMas' behalf. The remaining contractual obligations to Metaldyne were approximately $6.0 million at both September 30, 2008 and December 31, 2007, and are classified as accrued liabilities in the accompanying consolidated balance sheet.

On January 11, 2007, Metaldyne merged into a subsidiary of Asahi Tec Corporation ("Asahi") whereby Metaldyne became a wholly-owned subsidiary of Asahi. In connection with the consummation of the merger, Metaldyne dividended the 4,825,587 shares of the Company's common stock that it owned on a pro rata basis to the holders of Metaldyne's common stock at the time of such dividend. As a result of the merger, Metaldyne and the Company are no longer related parties. In addition, as a result of the merger, it has been asserted that Metaldyne may be obligated to accelerate funding and payment of actuarially determined amounts owing to seven former Metaldyne executives under a supplemental executive retirement plan ("SERP"). Under the stock purchase agreement between

12. Related Parties (Continued)

Metaldyne and Heartland, TriMas is required to reimburse Metaldyne, when billed, for its allocated portion of the amounts due to certain Metaldyne SERP participants, as defined. At September 30, 2008, TriMas has accrued an estimated liability to Metaldyne on its reported balance sheet of approximately $5.2 million (included in the remaining $6.0 million of contractual obligations above); however, if Metaldyne is required to accelerate funding of the SERP liability, TriMas may be obligated to reimburse Metaldyne up to approximately $7.6 million, which could result in future charges to the Company's statement of operations of up to $2.4 million. The Company is currently reviewing the validity of these assertions.

Heartland Industrial Partners

In connection with the Company's initial public offering of common stock in the second quarter of 2007, the Company paid Heartland $10.0 million to terminate its existing advisory services agreement. The advisory services had been provided for an annual fee of $4.0 million plus expenses. Heartland was paid $2.1 million for the nine months ended September 30, 2007 for advisory services provided under this agreement. Such amounts are included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

13. Segment Information

TriMas' reportable operating segments are business units that provide unique products and services. Each operating segment is separately managed, requires different technology and marketing strategies and has separate financial information evaluated regularly by the Company's chief operating decision maker in determining resource allocation and assessing performance. TriMas has five operating segments involved in the manufacture and sale of products described below. Within these operating segments, there are no individual products or product families for which reported revenues accounted for more than 10% of the Company's consolidated revenues.

Packaging Systems—Steel and plastic closure caps, drum enclosures, rings and levers, and dispensing systems for industrial and consumer markets, as well as flame-retardant facings, jacketings and insulation tapes used with fiberglass insulation as vapor barriers in commercial, industrial, and residential construction applications.

Energy Products—Engines and engine replacement parts for the oil and gas industry as well as metallic and non-metallic industrial gaskets and fasteners for the petroleum refining, petrochemical and other industrial markets.

Industrial Specialties—A diverse range of industrial products for use in niche markets within the aerospace, industrial, automotive, defense, and medical equipment markets. Its products include highly engineered specialty fasteners for the aerospace industry, high-pressure and low-pressure cylinders for the transportation, storage and dispensing of compressed gases, specialty fasteners for the automotive industry, spinal and trauma implant products for the medical industry, specialty precision tools such as center drills, cutters, end mills, reamers, master gears, punches, and specialty ordnance components.

RV & Trailer Products—Custom-engineered trailer products including trailer couplers, winches, jacks, trailer brakes and brake control solutions, lighting accessories and roof racks for the recreational vehicle, agricultural/utility, marine, automotive and commercial trailer markets.

13. Segment Information (Continued)

Recreational Accessories—Towing products, functional vehicle accessories and cargo management solutions including vehicle hitches and receivers, sway controls, weight distribution and fifth-wheel hitches, hitch-mounted accessories, and other accessory components.

The Company's management uses Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") as a primary indicator of financial operating performance and as a measure of cash generating capability. Adjusted EBITDA is defined as net income (loss) before cumulative effect of accounting change, interest, taxes, depreciation, amortization, non-cash asset and goodwill impairment write-offs and non-cash losses on sale-leaseback of property and equipment.

Segment activity is as follows:

	Three months ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Net Sales				
Packaging Systems	$ 58,520	$ 51,770	$ 170,500	$ 162,220
Energy Products	55,430	40,330	157,390	122,930
Industrial Specialties	59,250	51,030	168,930	154,470
RV & Trailer Products	41,970	45,940	142,370	152,420
Recreational Accessories	61,730	69,580	214,350	238,720
Total	$ 276,900	$ 258,650	$ 853,540	$ 830,760
Operating Profit				
Packaging Systems	$ 8,670	$ 8,110	$ 26,700	$ 27,930
Energy Products	8,170	4,860	24,670	16,930
Industrial Specialties	12,110	9,930	34,750	32,370
RV & Trailer Products	1,300	4,270	6,110	16,740
Recreational Accessories	2,700	4,920	11,820	17,420
Corporate expenses and management fees	(5,060)	(6,610)	(18,200)	(33,240)
Total	$ 27,890	$ 25,480	$ 85,850	$ 78,150
Adjusted EBITDA				
Packaging Systems	$ 12,580	$ 11,300	$ 38,250	$ 37,690
Energy Products	8,850	5,670	26,670	19,030
Industrial Specialties	13,590	11,550	39,190	36,050
RV & Trailer Products	3,440	6,480	11,910	22,840
Recreational Accessories	5,120	7,710	19,030	25,130
Corporate expenses and management fees	(5,470)	(7,580)	(19,910)	(35,810)
Subtotal from continuing operations	38,110	35,130	115,140	104,930
Discontinued operations	140	1,940	570	3,210
Total company	$ 38,250	$ 37,070	$ 115,710	$ 108,140

13. Segment Information (Continued)

The following is a reconciliation of net income to Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Net income	$ 8,320	$ 6,580	$ 25,640	$ 10,440
Income tax expense	5,560	3,850	15,310	6,960
Interest expense	13,630	15,720	42,320	52,920
Debt extinguishment costs	—	—	—	7,440
Depreciation and amortization	10,740	10,920	32,440	30,380
Adjusted EBITDA, total company	$ 38,250	$ 37,070	$ 115,710	$ 108,140
Adjusted EBITDA, discontinued operations	140	1,940	570	3,210
Adjusted EBITDA, continuing operations	$ 38,110	$ 35,130	$ 115,140	$ 104,930

14. Equity Awards

2006 Plan

The TriMas Corporation 2006 Long Term Equity Incentive Plan (the "2006 Plan") provides for the issuance of equity-based incentives in various forms for up to an aggregate of 1,200,000 shares of the Company's common stock, of which up to 500,000 shares may be granted as incentive stock options. In general, stock options and stock appreciation rights have a fungible ratio of one-to-one (one granted option/appreciation right counts as one share against the aggregate available to issue), while other forms of equity grants, including restricted shares of common stock, have a fungible ratio of two-to-one.

During the second and third quarters of 2008, the Company granted 391,000 restricted shares of its common stock to certain employees, which vest ratably over three years from date of grant but are contingent upon certain service and performance conditions. Of the 391,000 restricted shares granted, 111,500 shares are subject to a service provision, where the only condition to the share vesting is that the employee remains with the Company for the vesting period. The remaining 279,500 shares granted are subject to both a service provision (same as above) and a performance provision. These shares vest in the same manner as the service provision grants only if the Company attains and/or exceeds a certain EBITDA target for the year ended December 31, 2008.

In September 2007, the Company granted 390,610 restricted shares of its common stock to certain employees, which vest ratably over three years from date of grant but were contingent upon certain service and performance conditions. Of the 390,610 restricted shares granted, 145,750 shares were subject to a service provision, where the only condition to the share vesting was that the employee remained with the Company for the vesting period. The remaining 244,860 shares granted were subject to both a service provision (same as above) and a performance provision, where these shares would vest in the same manner as the service provision-only grants if the Company attained and/or exceeded a certain EBITDA target for the year ended December 31, 2007, or would otherwise be cancelled. The Company did not meet or exceed this EBITDA target, resulting in the cancelation of 244,860 restricted shares of its common stock.

14. Equity Awards (Continued)

The Company recognized approximately $0.3 million and $1.1 million of stock-based compensation expense related to the 2006 Plan during the three and nine months ended September 30, 2008, respectively. As of September 30, 2008, the Company had $1.9 million of unrecognized compensation cost related to grants outstanding under the 2006 Plan that is expected to be recorded over a weighted average period of 1.6 years.

Information related to the 2006 Plan at September 30, 3008 is as follows:

	Number of Unvested Restricted Shares	Weighted Average Grant Date Fair Value	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2008	142,145	$ 12.26		
Granted	391,000	6.28		
Exercised	(42,870)	12.26		
Cancelled	(86,205)	8.11		
Outstanding at September 30, 2008	404,070	$ 7.35	2.4	$ 2,650,699

2002 Plan

The TriMas Corporation 2002 Long Term Equity Incentive Plan (the "2002 Plan") provides for the issuance of equity-based incentives in various forms, of which a total of 2,022,000 stock options have been approved for issuance under the 2002 Plan. As of September 30, 2008, the Company has 1,606,101 stock options outstanding, each of which may be used to purchase one share of the Company's common stock. The options have a 10-year life and the exercise prices range from $20 to $23. Eighty percent of the options vest ratably over three years from the date of grant, while the remaining twenty percent vest after seven years from the date of grant or on an accelerated basis over three years based upon achievement of specified performance targets, as defined in the 2002 Plan. The options become exercisable upon the later of: (1) the normal vesting schedule as described above, or (2) upon the occurrence of a qualified public equity offering as defined in the 2002 Plan, one half of the vested options become exercisable 180 days following such public equity offering (November 14, 2007), and the other one half of vested options become exercisable on the first anniversary following consummation of such public offering (May 14, 2008). As of September 30, 2008, 1,207,574 stock options were exercisable under the 2002 Plan.

The Company accounts for these stock options under SFAS No. 123R, "*Share-Based Payment*," using the Modified Prospective Application ("MPA") method, which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values.

The Company recognized stock-based compensation expense related to 2002 Plan of approximately $0.02 million and $0.1 million for the three and nine months ended September 30, 2008, respectively, and $0.1 million and $0.2 million for the three and nine months ended September 30, 2007, respectively. The stock-based compensation expense is included in selling, general and administrative expenses in the accompanying statement of operations. The fair value of options which vested during the three and nine months ended September 30, 2008 was $0.04 million and $0.4 million, respectively.

14. Equity Awards (Continued)

The fair value of options which vested during the three and nine months ended September 30, 2007 was $0.04 million and $0.4 million, respectively. As of September 30, 2008, the Company had $0.1 million of unrecognized compensation cost related to stock options that is expected to be recorded over a weighted average period of 1.5 years.

Information related to the 2002 Plan at September 30, 2008, is as follows:

	Number of Options	Weighted Average Option Price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2008	2,000,481	$ 20.89		
Granted	—	—		
Exercised	—	—		
Cancelled	(394,380)	20.77		
Outstanding at September 30, 2008	1,606,101	$ 20.92	4.8	$ —

15. Earnings per Share

The Company reports earnings per share in accordance with SFAS No. 128, "*Earnings per Share*." Basic and diluted earnings per share amounts were computed using weighted average shares outstanding for the three and nine months ended September 30, 2008 and 2007, respectively. Diluted earnings per share included 48,467 and 28,234 shares, respectively, of restricted stock granted under the 2006 Plan for the three and nine months ended September 30, 2008, and no shares for both the three and nine months ended September 30, 2007, as to do so would have been anti-dilutive. Options to purchase 1,606,101 and 2,012,268 shares of common stock were outstanding at September 30, 2008 and 2007, respectively, but were excluded from the computation of net income per share because to do so would have been anti-dilutive for the periods presented.

16. Defined Benefit Plans

Net periodic pension and postretirement costs for TriMas' defined benefit pension plans and postretirement benefit plans, covering foreign employees, union hourly employees and certain salaried employees include the following components for the three and nine months ended September 30, 2008:

	Pension Plans			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Service costs	$ 130	$ 140	$ 400	$ 410
Interest costs	430	410	1,270	1,220
Expected return on plan assets	(460)	(490)	(1,380)	(1,460)
Amortization of net loss	80	110	240	340
Net periodic benefit cost	$ 180	$ 170	$ 530	$ 510

16. Defined Benefit Plans (Continued)

	Other Postretirement Benefits			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Service costs	$ 20	$ 20	$ 60	$ 70
Interest costs	100	100	310	320
Gain on settlement of postretirement plan	—	—	—	(190)
Amortization of net loss	10	30	30	70
Net periodic benefit cost	$ 130	$ 150	$ 400	$ 270

The Company contributed approximately $0.8 million and $1.8 million to its defined benefit pension plans during the three and nine months ending September 30, 2008, respectively. The Company expects to contribute approximately $1.9 million to its defined benefit pension plans for the full year 2008.

17. New Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141(R), "Business Combinations," which revises the current accounting practices for business combinations. Significant changes as a result of issuance of SFAS No. 141(R) include a revised definition of a business, expensing of acquisition-related transaction costs, and a change in how acquirers measure consideration, identifiable assets, liabilities assumed and goodwill acquired in a business combination. SFAS No. 141(R) is effective for business combinations occurring in fiscal years beginning after December 15, 2008, and may not be retroactively applied. There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. For financial assets and liabilities, this statement is effective for fiscal periods beginning after November 15, 2007 and does not require new fair value measurements. In February 2008, the FASB released Staff Position No. 157-2, which delayed the effective date of SFAS No. 157 to fiscal years ending after November 15, 2008 for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the Company's financial statements on a recurring basis (at least annually), which was effective for the Company effective January 1, 2008. The adoption of SFAS No. 157 did not have a material effect on the consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115," which permits entities to choose to measure certain financial instruments and other items at fair value. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, including interim periods within that fiscal year. The Company did not elect the fair value option for any of its existing financial instruments as of September 30, 2008 and the Company has made no determination whether or not it will elect this option for financial instruments it may acquire in the future.

17. New Accounting Pronouncements (Continued)

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements," which establishes requirements for identification, presentation and disclosure of noncontrolling interests, and requires accounting for such non-controlling interests as a separate component of shareholder's equity. SFAS No. 160 is effective prospectively for fiscal years beginning after December 15, 2008. However, the presentation and disclosure requirements are required to be retrospectively applied to comparative financial statements. There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 to provide users of financial statements with an enhanced understanding of derivative instruments, how they are accounted for and their impact on a company's financial position and performance. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company is currently assessing the impact of the adoption of SFAS No. 161 on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles," which is intended to improve financial reporting by identifying a consistent hierarchy for selecting accounting principles to be used in preparing financial statements that are prepared in conformance with generally accepted accounting principles. The statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with GAAP." There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

18. Supplemental Guarantor Condensed Consolidating Financial Information

Under an indenture dated September 6, 2002, TriMas Corporation ("Parent"), issued $9^7/8$% senior subordinated notes due 2012 in a total principal amount of $437.8 million (face value), of which $100.0 million was subsequently retired in the second quarter of 2007 in connection with the Company's initial public offering. The remaining outstanding Notes are guaranteed by substantially all of the Company's domestic subsidiaries ("Guarantor Subsidiaries"). All of the Guarantor Subsidiaries are 100% owned by the Parent and their guarantee is full, unconditional, joint and several. The Company's non-domestic subsidiaries and TSPC, Inc. have not guaranteed the Notes ("Non-Guarantor Subsidiaries"). The Guarantor Subsidiaries have also guaranteed amounts outstanding under the Company's Credit Facility.

The accompanying supplemental guarantor condensed, consolidating financial information is presented using the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the Company's share in the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries relate primarily to the elimination of investments in subsidiaries and associated intercompany balances and transactions.

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Balance Sheet
(dollars in thousands)

	September 30, 2008				
	Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated Total
Assets					
Current assets:					
Cash and cash equivalents	$ —	$ 200	$ 4,450	$ —	$ 4,650
Trade receivables, net	—	112,950	23,550	—	136,500
Receivables, intercompany	—	—	1,490	(1,490)	—
Inventories, net	—	172,880	25,810	—	198,690
Deferred income taxes	—	18,150	710	—	18,860
Prepaid expenses and other current assets	—	7,440	1,290	—	8,730
Assets of discontinued operations held for sale	—	2,860	—	—	2,860
Total current assets	—	314,480	57,300	(1,490)	370,290
Investments in subsidiaries	562,670	136,360	—	(699,030)	—
Property and equipment, net	—	141,230	50,400	—	191,630
Goodwill	—	295,480	81,970	—	377,450
Intangibles and other assets	14,790	215,360	5,690	(9,200)	226,640
Total assets	$577,460	$1,102,910	$ 195,360	$ (709,720)	$ 1,166,010
Liabilities and Shareholders' Equity					
Current liabilities:					
Current maturities, long-term debt	$ —	$ 5,520	$ 6,920	$ —	$ 12,440
Accounts payable, trade	—	107,380	19,770	—	127,150
Accounts payable, intercompany	—	1,490	—	(1,490)	—
Accrued liabilities	9,730	53,640	8,940	—	72,310
Liabilities of discontinued operations	—	1,250	—	—	1,250
Total current liabilities	9,730	169,280	35,630	(1,490)	213,150
Long-term debt	337,080	252,230	14,040	—	603,350
Deferred income taxes	—	85,490	7,700	(9,200)	83,990
Other long-term liabilities	—	33,240	1,630	—	34,870
Total liabilities	346,810	540,240	59,000	(10,690)	935,360
Total shareholders' equity	230,650	562,670	136,360	(699,030)	230,650
Total liabilities and shareholders' equity	$577,460	$1,102,910	$ 195,360	$ (709,720)	$ 1,166,010

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Balance Sheet
(dollars in thousands)

	December 31, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Consolidated Total
Assets					
Current assets:					
Cash and cash equivalents	$ —	$ 550	$ 4,250	$ —	$ 4,800
Trade receivables, net	—	69,760	19,610	—	89,370
Receivables, intercompany	—	—	1,700	(1,700)	—
Inventories, net	—	162,800	27,790	—	190,590
Deferred income taxes	—	17,960	900	—	18,860
Prepaid expenses and other current assets	—	5,870	1,140	—	7,010
Assets of discontinued operations held for sale	—	3,330	—	—	3,330
Total current assets	—	260,270	55,390	(1,700)	313,960
Investments in subsidiaries	528,420	139,880	—	(668,300)	—
Property and equipment, net	—	139,580	55,540	—	195,120
Goodwill	—	291,990	85,350	—	377,340
Intangibles and other assets	18,430	230,430	4,430	(11,720)	241,570
Total assets	$546,850	$1,062,150	$ 200,710	$ (681,720)	$ 1,127,990
Liabilities and Shareholders' Equity					
Current liabilities:					
Current maturities, long-term debt	$ —	$ 3,300	$ 5,090	$ —	$ 8,390
Accounts payable, trade	—	102,920	18,940	—	121,860
Accounts payable, intercompany	—	1,700	—	(1,700)	—
Accrued liabilities	1,390	58,820	11,620	—	71,830
Liabilities of discontinued operations	—	1,450	—	—	1,450
Total current liabilities	1,390	168,190	35,650	(1,700)	203,530
Long-term debt	336,970	254,210	16,420	—	607,600
Deferred income taxes	—	77,890	7,110	(11,720)	73,280
Other long-term liabilities	—	33,440	1,650	—	35,090
Total liabilities	338,360	533,730	60,830	(13,420)	919,500
Total shareholders' equity	208,490	528,420	139,880	(668,300)	208,490
Total liabilities and shareholders' equity	$546,850	$1,062,150	$ 200,710	$ (681,720)	$ 1,127,990

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Three Months Ended September 30, 2008				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$ —	$ 227,710	$ 59,910	$(10,720)	$ 276,900
Cost of sales	—	(167,120)	(48,750)	10,720	(205,150)
Gross profit	—	60,590	11,160	—	71,750
Selling, general and administrative expenses	—	(37,760)	(6,150)	—	(43,910)
Gain (loss) on dispositions of property and equipment	—	(190)	240	—	50
Operating profit	—	22,640	5,250	—	27,890
Other income (expense), net:					
Interest expense	(8,750)	(4,370)	(450)	—	(13,570)
Other, net	—	660	(1,140)	—	(480)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(8,750)	18,930	3,660	—	13,840
Income tax (expense) benefit	3,070	(7,270)	(1,340)	—	(5,540)
Equity in net income (loss) of subsidiaries	14,000	2,320	—	(16,320)	—
Income (loss) from continuing operations	8,320	13,980	2,320	(16,320)	8,300
Income from discontinued operations	—	20	—	—	20
Net income (loss)	$ 8,320	$ 14,000	$ 2,320	$(16,320)	$ 8,320

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Three Months Ended September 30, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$ —	$ 210,970	$ 60,290	$(12,610)	$ 258,650
Cost of sales	—	(153,510)	(47,830)	12,610	(188,730)
Gross profit	—	57,460	12,460	—	69,920
Selling, general and administrative expenses	—	(36,710)	(5,940)	—	(42,650)
Gain (loss) on dispositions of property and equipment	—	(1,820)	30	—	(1,790)
Operating profit	—	18,930	6,550	—	25,480
Other income (expense), net:					
Interest expense	(8,510)	(6,550)	(660)	—	(15,720)
Other, net	(260)	(520)	(450)	—	(1,230)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(8,770)	11,860	5,440	—	8,530
Income tax (expense) benefit	3,310	(4,490)	(1,930)	—	(3,110)
Equity in net income (loss) of subsidiaries	12,040	3,510	—	(15,550)	—
Income (loss) from continuing operations	6,580	10,880	3,510	(15,550)	5,420
Income from discontinued operations	—	1,160	—	—	1,160
Net income (loss)	$ 6,580	$ 12,040	$ 3,510	$(15,550)	$ 6,580

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Nine Months Ended September 30, 2008				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$ —	$ 699,130	$ 191,130	$(36,720)	$ 853,540
Cost of sales	—	(514,270)	(152,150)	36,720	(629,700)
Gross profit	—	184,860	38,980	—	223,840
Selling, general and administrative expenses	—	(119,680)	(18,140)	—	(137,820)
Gain (loss) on dispositions of property and equipment	—	(500)	330	—	(170)
Operating profit	—	64,680	21,170	—	85,850
Other income (expense), net:					
Interest expense	(26,280)	(14,540)	(1,340)	—	(42,160)
Other, net	—	2,290	(5,300)	—	(3,010)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(26,280)	52,430	14,530	—	40,680
Income tax (expense) benefit	9,200	(19,660)	(4,750)	—	(15,210)
Equity in net income (loss) of subsidiaries	42,720	9,780	—	(52,500)	—
Income (loss) from continuing operations	25,640	42,550	9,780	(52,500)	25,470
Income from discontinued operations	—	170	—	—	170
Net income (loss)	$ 25,640	$ 42,720	$ 9,780	$(52,500)	$ 25,640

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Operations
(dollars in thousands)

	Nine Months Ended September 30, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Net sales	$ —	$ 689,520	$ 185,090	$(43,850)	$ 830,760
Cost of sales	—	(496,880)	(150,160)	43,850	(603,190)
Gross profit	—	192,640	34,930	—	227,570
Selling, general and administrative expenses	—	(116,010)	(17,500)	—	(133,510)
Advisory services agreement termination fee	—	(10,000)	—	—	(10,000)
Costs for early termination of operating leases	—	(4,230)	—	—	(4,230)
Gain (loss) on dispositions of property and equipment	—	(1,690)	10	—	(1,680)
Operating profit	—	60,710	17,440	—	78,150
Other income (expense), net:					
Interest expense	(30,080)	(20,520)	(2,320)	—	(52,920)
Debt extinguishment costs	(7,440)	—	—		(7,440)
Other, net	3,650	(5,810)	(1,290)	—	(3,450)
Income (loss) before income tax (expense) benefit and equity in net income (loss) of subsidiaries	(33,870)	34,380	13,830	—	14,340
Income tax (expense) benefit	12,180	(12,560)	(4,850)	—	(5,230)
Equity in net income (loss) of subsidiaries	32,130	8,980	—	(41,110)	—
Income (loss) from continuing operations	10,440	30,800	8,980	(41,110)	9,110
Income from discontinued operations	—	1,330	—	—	1,330
Net income (loss)	$ 10,440	$ 32,130	$ 8,980	$(41,110)	$ 10,440

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Cash Flows
(dollars in thousands)

	Nine Months Ended September 30, 2008				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Cash Flows from Operating Activities:					
Net cash provided by (used for) operating activities	$(16,680)	$ 27,040	$ 12,430	$ —	$ 22,790
Cash Flows from Investing Activities:					
Capital expenditures	—	(16,560)	(3,540)	—	(20,100)
Acquisition of businesses, net of cash acquired	—	(3,490)	(2,860)	—	(6,350)
Net proceeds from disposition of businesses and other assets	—	320	1,940	—	2,260
Net cash used for investing activities	—	(19,730)	(4,460)	—	(24,190)
Cash Flows from Financing Activities:					
Repayments of borrowings on senior credit facilities	—	(1,950)	(2,320)	—	(4,270)
Proceeds from borrowings on term loan facilities	—	—	490	—	490
Proceeds from borrowings on revolving credit facilities	—	338,090	8,070	—	346,160
Repayments of borrowings on revolving credit facilities	—	(335,900)	(5,230)	—	(341,130)
Intercompany transfers (to) from subsidiaries	16,680	(7,900)	(8,780)	—	—
Net cash provided by (used for) financing activities	16,680	(7,660)	(7,770)	—	1,250
Cash and Cash Equivalents:					
Increase (decrease) for the period	—	(350)	200	—	(150)
At beginning of period	—	550	4,250	—	4,800
At end of period	$ —	$ 200	$ 4,450	$ —	$ 4,650

18. Supplemental Guarantor Condensed Consolidating Financial Information (Continued)

**Supplemental Guarantor
Condensed Financial Statements
Consolidating Statement of Cash Flows
(dollars in thousands)**

	Nine Months Ended September 30, 2007				
	Parent	Guarantor	Non-Guarantor	Eliminations	Total
Cash Flows from Operating Activities:					
Net cash provided by (used for) operating activities	$ (21,890)	$ 54,110	$ 14,660	$ —	$ 46,880
Cash Flows from Investing Activities:					
Capital expenditures	—	(16,130)	(6,390)	—	(22,520)
Acquisition of leased assets	—	(29,960)	—	—	(29,960)
Acquisition of businesses, net of cash acquired	—	(13,540)	—	—	(13,540)
Net proceeds from disposition of businesses and other assets	—	6,150	—	—	6,150
Net cash used for investing activities	—	(53,480)	(6,390)	—	(59,870)
Cash Flows from Financing Activities:					
Proceeds from sale of common stock in connection with the Company's initial public offering, net of issuance costs	126,460	—	—	—	126,460
Repayments of borrowings on senior credit facilities	—	(1,950)	(650)	—	(2,600)
Proceeds from borrowings on revolving credit facilities	—	391,780	7,800	—	399,580
Repayments of borrowings on revolving credit facilities	—	(400,200)	(9,690)	—	(409,890)
Retirement of senior subordinated notes	(100,000)	—	—	—	(100,000)
Intercompany transfers (to) from subsidiaries	(4,570)	9,790	(5,220)	—	—
Net cash provided by (used for) financing activities	21,890	(580)	(7,760)	—	13,550
Cash and Cash Equivalents:					
Increase (decrease) for the period	—	50	510	—	560
At beginning of period	—	460	3,140	—	3,600
At end of period	$ —	$ 510	$ 3,650	$ —	$ 4,160

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition contains forward-looking statements regarding industry outlook and our expectations regarding the performance of our business. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under the heading "Forward Looking Statements," at the beginning of this report. Our actual results may differ materially from those contained in or implied by any forward-looking statements. You should read the following discussion together with the Company's reports on file with the Securities and Exchange Commission.

Introduction

We are an industrial manufacturer of highly engineered products serving niche markets in a diverse range of commercial, industrial and consumer applications. We currently have five operating segments: Packaging Systems, Energy Products, Industrial Specialties, RV & Trailer Products and Recreational Accessories. In reviewing our financial results, consideration should be given to certain critical events, including acquisitions and recent consolidation, integration and restructuring efforts.

Key Factors and Risks Affecting our Reported Results. Critical factors affecting our ability to succeed include: our ability to successfully pursue organic growth through product development, cross-selling and extending product-line offerings, our ability to quickly and cost-effectively introduce new products; our ability to acquire and integrate companies or products that will supplement existing product lines, add new distribution channels, expand our geographic coverage or enable us to better absorb overhead costs; our ability to manage our cost structure more efficiently through improved supply base management, internal sourcing and/or purchasing of materials, selective outsourcing and/or purchasing of support functions, working capital management, and greater leverage of our administrative and overhead functions. If we are unable to do any of the foregoing successfully, our financial condition and results of operations could be materially and adversely impacted.

Our businesses and results of operations depend upon general economic conditions and we serve some customers in highly cyclical industries that are highly competitive and themselves adversely impacted by unfavorable economic conditions. There is some seasonality in the business of our Recreational Accessories and RV & Trailer Products operating segments as well. Sales of towing and trailering products within these business segments are generally stronger in the second and third quarters, as trailer original equipment manufacturers (OEMs), distributors and retailers acquire product for the selling season. No other operating segment experiences significant seasonal fluctuation in its business. We do not consider sales order backlog to be a material factor in our business. A growing portion of our sales may be derived from international sources, which exposes us to certain risks, including currency risks. The demand for some of our products, particularly in the Recreational Accessories and RV & Trailer Products segments, is influenced by consumer sentiment, which could be negatively impacted by increased costs to consumers as a result of higher interest rates and energy costs, among other things.

We are sensitive to price movements in our raw materials supply base. Our largest material purchases are for steel, copper, aluminum, polyethylene and other resins and energy. We have experienced increasing costs of steel and resin and have worked with our suppliers to manage cost pressures and disruptions in supply. We have also initiated pricing programs to pass increased steel, copper, aluminum and resin costs to customers. Although we have experienced delays in our ability to implement price increases, we generally recover such increased costs. Although we have not experienced disruptions in the supply of steel since 2005, we may experience disruptions in supply in the future and we may not be able to pass along higher costs associated with such disruptions to our customers in the form of price increases. We will continue to take actions as necessary to manage risks

associated with increasing steel or other raw material costs however; such increased costs may adversely impact our earnings.

We report shipping and handling expenses associated with Recreational Accessories' sales distribution network as an element of selling, general and administrative expenses in its consolidated statement of operations. As such, gross margins for the Recreational Accessories segment may not be comparable to other companies which include all costs related to their distribution network in cost of sales.

We have substantial debt, interest and lease payment requirements that may restrict our future operations and impair our ability to meet our obligations and, in a rising interest rate environment, our performance may be adversely affected by our degree of leverage.

Key Indicators of Performance. In evaluating our business, our management considers Adjusted EBITDA as a key indicator of financial operating performance and as a measure of cash generating capability. We define Adjusted EBITDA as net income (loss) before cumulative effect of accounting change, interest, taxes, depreciation, amortization, non-cash asset and goodwill impairment charges and write-offs and non-cash losses on sale-leaseback of property and equipment. In evaluating Adjusted EBITDA, our management deems it important to consider the quality of our underlying earnings by separately identifying certain costs undertaken to improve our results, such as costs related to consolidating facilities and businesses in an effort to eliminate duplicative costs or achieve efficiencies, costs related to integrating acquisitions and restructuring costs related to expense reduction efforts. Although we may undertake new consolidation, restructuring and integration efforts in the future as a result of our acquisition activity, our management separately considers these costs in evaluating underlying business performance. Caution must be exercised in considering these items as they include substantially (but not necessarily entirely) cash costs and there can be no assurance that we will ultimately realize the benefits of these efforts. Moreover, even if the anticipated benefits are realized, they may be offset by other business performance or general economic issues.

Management believes that consideration of Adjusted EBITDA together with a careful review of our results reported under GAAP is the best way to analyze our ability to service and/or incur indebtedness, as we are a highly leveraged company. We use Adjusted EBITDA as a key performance measure because we believe it facilitates operating performance comparisons from period to period and company to company by excluding potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), and the impact of purchase accounting and FASB Statement of Financial Accounting Standards No. 142 (SFAS No. 142), "*Goodwill and Other Intangible Assets*" (affecting depreciation and amortization expense). Because Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we also use Adjusted EBITDA for business planning purposes, to incent and compensate our management personnel, in measuring our performance relative to that of our competitors and in evaluating acquisition opportunities.

In addition, we believe Adjusted EBITDA and similar measures are widely used by investors, securities analysts, ratings agencies and other interested parties as a measure of financial performance and debt-service capabilities. Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect our cash expenditures for capital equipment or other contractual commitments;
- although depreciation, amortization and asset impairment charges and write-offs are non-cash charges, the assets being depreciated, amortized or written off may have to be replaced in the

future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements;

- it does not reflect changes in, or cash requirements for, our working capital needs;

- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments on our indebtedness;

- it does not reflect certain tax payments that may represent a reduction in cash available to us;

- it includes amounts resulting from matters we consider not to be indicative of underlying performance of our fundamental business operations, as discussed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," and;

- other companies, including companies in our industry, may calculate these measures differently and as the number of differences in the way two different companies calculate these measures increases, the degree of their usefulness as a comparative measure correspondingly decreases.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementally. We carefully review our operating profit margins (operating profit as a percentage of net sales) at a segment level, which are discussed in detail in our year-to-year comparison of operating results.

The following is a reconciliation of our net income to Adjusted EBITDA and cash flows from operating activities for the three and nine months ended September 30, 2008 and 2007:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Net income	$ 8,320	$ 6,580	$ 25,640	$ 10,440
Income tax expense	5,560	3,850	15,310	6,960
Interest expense	13,630	15,720	42,320	52,920
Debt extinguishment costs	—	—	—	7,440
Depreciation and amortization	10,740	10,920	32,440	30,380
Adjusted EBITDA, total company	$ 38,250	$ 37,070	$ 115,710	$ 108,140
Interest paid	(5,140)	(6,370)	(32,240)	(40,880)
Taxes paid	(1,130)	(1,830)	(6,460)	(6,840)
(Gain) loss on dispositions of property and equipment	(50)	1,500	40	1,570
Receivables sales and securitization, net	(23,100)	(4,720)	(26,730)	28,610
Net change in working capital	(9,300)	(4,710)	(27,530)	(43,720)
Cash flows provided by operating activities	$ (470)	$ 20,940	$ 22,790	$ 46,880

The following details certain items relating to our consolidation, restructuring and integration efforts and the costs and expenses incurred in connection with our initial public offering and use of proceeds therefrom that are included in the determination of net income under GAAP and are not added back to net income in determining Adjusted EBITDA, but that we would consider in evaluating the quality of our Adjusted EBITDA:

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	(dollars in thousands)			
Facility and business consolidation costs(a)	$ —	$ 370	$ 720	$ 740
Business unit restructuring costs(b)	710	—	2,970	—
Advisory services agreement termination fee(c)	—	—	—	10,000
Costs for early termination of operating leases(d)	—	—	—	4,230
	$ 710	$ 370	$ 3,690	$ 14,970

(a) Includes employee training, severance and relocation costs, equipment move and plant rearrangement costs associated with facility and business consolidations.

(b) Includes principally employee severance costs associated with business unit restructuring and other cost reduction activities.

(c) Expense associated with the termination of our advisory services agreement with Heartland.

(d) Costs associated with the early termination of operating leases and purchase of underlying machinery and equipment assets.

Segment Information and Supplemental Analysis

The following table summarizes financial information of continuing operations for our five business segments for the three months ended September 30, 2008 and 2007:

	Three Months Ended September 30,			
	2008	As a Percentage of Net Sales	2007	As a Percentage of Net Sales
	(dollars in thousands)			
Net Sales:				
Packaging Systems	$ 58,520	21.1%	$ 51,770	20.0%
Energy Products	55,430	20.0%	40,330	15.6%
Industrial Specialties	59,250	21.4%	51,030	19.7%
RV & Trailer Products	41,970	15.2%	45,940	17.8%
Recreational Accessories	61,730	22.3%	69,580	26.9%
Total	$ 276,900	100.0%	$ 258,650	100.0%
Gross Profit:				
Packaging Systems	$ 16,340	27.9%	$ 14,880	28.7%
Energy Products	14,680	26.5%	10,900	27.0%
Industrial Specialties	16,660	28.1%	14,460	28.3%
RV & Trailer Products	7,420	17.7%	10,030	21.8%
Recreational Accessories	16,650	27.0%	19,650	28.2%
Total	$ 71,750	25.9%	$ 69,920	27.0%
Selling, General and Administrative:				
Packaging Systems	$ 7,880	13.5%	$ 6,780	13.1%
Energy Products	6,500	11.7%	6,020	14.9%
Industrial Specialties	4,410	7.4%	4,320	8.5%
RV & Trailer Products	6,070	14.5%	5,660	12.3%
Recreational Accessories	13,990	22.7%	14,550	20.9%
Corporate expenses and management fees	5,060	N/A	5,320	N/A
Total	$ 43,910	15.9%	$ 42,650	16.5%
Operating Profit:				
Packaging Systems	$ 8,670	14.8%	$ 8,110	15.7%
Energy Products	8,170	14.7%	4,860	12.1%
Industrial Specialties	12,110	20.4%	9,930	19.5%
RV & Trailer Products	1,300	3.1%	4,270	9.3%
Recreational Accessories	2,700	4.4%	4,920	7.1%
Corporate expenses and management fees	(5,060)	N/A	(6,610)	N/A
Total	$ 27,890	10.1%	$ 25,480	9.9%
Adjusted EBITDA:				
Packaging Systems	$ 12,580	21.5%	$ 11,300	21.8%
Energy Products	8,850	16.0%	5,670	14.1%
Industrial Specialties	13,590	22.9%	11,550	22.6%
RV & Trailer Products	3,440	8.2%	6,480	14.1%
Recreational Accessories	5,120	8.3%	7,710	11.1%
Corporate expenses and management fees	(5,470)	N/A	(7,580)	N/A
Subtotal from continuing operations	38,110	13.8%	35,130	13.6%
Discontinued operations	140	N/A	1,940	N/A
Total company	$ 38,250	13.8%	$ 37,070	14.3%

The following table summarizes financial information of continuing operations for our five business segments for the nine months ended September 30, 2008 and 2007:

	Nine Months Ended September 30,			
	2008	As a Percentage of Net Sales	2007	As a Percentage of Net Sales
	(dollars in thousands)			
Net Sales:				
Packaging Systems	$ 170,500	20.0%	$ 162,220	19.4%
Energy Products	157,390	18.4%	122,930	14.8%
Industrial Specialties	168,930	19.8%	154,470	18.6%
RV & Trailer Products	142,370	16.7%	152,420	18.3%
Recreational Accessories	214,350	25.1%	238,720	28.7%
Total	$ 853,540	100.0%	$ 830,760	99.8%
Gross Profit:				
Packaging Systems	$ 49,180	28.8%	$ 48,570	29.9%
Energy Products	44,710	28.4%	35,310	28.7%
Industrial Specialties	49,020	29.0%	45,500	29.5%
RV & Trailer Products	24,810	17.4%	34,550	22.7%
Recreational Accessories	56,120	26.2%	63,640	26.7%
Total	$ 223,840	26.2%	$ 227,570	27.4%
Selling, General and Administrative:				
Packaging Systems	$ 22,760	13.3%	$ 20,850	12.9%
Energy Products	20,030	12.7%	18,340	14.9%
Industrial Specialties	14,040	8.3%	12,910	8.4%
RV & Trailer Products	18,550	13.0%	17,640	11.6%
Recreational Accessories	44,240	20.6%	46,040	19.3%
Corporate expenses and management fees	18,200	N/A	17,730	N/A
Total	$ 137,820	16.1%	$ 133,510	16.1%
Operating Profit:				
Packaging Systems	$ 26,700	15.7%	$ 27,930	17.2%
Energy Products	24,670	15.7%	16,930	13.8%
Industrial Specialties	34,750	20.6%	32,370	21.0%
RV & Trailer Products	6,110	4.3%	16,740	11.0%
Recreational Accessories	11,820	5.5%	17,420	7.3%
Corporate expenses and management fees	(18,200)	N/A	(33,240)	N/A
Total	$ 85,850	10.1%	$ 78,150	9.4%
Adjusted EBITDA:				
Packaging Systems	$ 38,250	22.4%	$ 37,690	23.2%
Energy Products	26,670	16.9%	19,030	15.5%
Industrial Specialties	39,190	23.2%	36,050	23.3%
RV & Trailer Products	11,910	8.4%	22,840	15.0%
Recreational Accessories	19,030	8.9%	25,130	10.5%
Corporate expenses and management fees	(19,910)	N/A	(35,810)	N/A
Subtotal from continuing operations	115,140	13.5%	104,930	12.6%
Discontinued operations	570	N/A	3,210	N/A
Total company	$ 115,710	13.6%	$ 108,140	13.0%

Results of Operations

The principal factors impacting us during the three and nine months ended September 30, 2008 compared with the three and nine months ended September 30, 2007, were:

- strong demand in certain industrial sectors, most notably energy and aerospace, impacting our specialty gasket and engine businesses in the Energy Products operating segment and the aerospace fastener business in our Industrial Specialties operating segment;

- continued declines in end-market demand across most market channels in our Recreational Accessories and RV & Trailer Products operating segments as a result of reduced consumer discretionary spending due to unfavorable economic conditions including higher fuel prices, uncertain credit market and interest rate environment and diminished consumer confidence;

- inflationary increases in raw material prices, most notably for steel and resin, and increases in costs and freight related to foreign-sourced products, which began to impact our businesses in the second quarter of 2008, and for which we are pursuing recovery from our customers via sales price increases or surcharges;

- declines in the value of the U.S. dollar as compared to the currencies in countries where we operate, primarily impacting the first half of 2008; and

- completion of our initial public offering of our common stock in May 2007, the use of proceeds therefrom to retire $100.0 million face value of senior subordinated notes, to effect early termination of operating leases and acquire underlying machinery and equipment assets and to terminate an advisory services agreement, and the related cost savings from such retirements/terminations;

Three Months Ended September 30, 2008 Compared with Three Months Ended September 30, 2007

Overall, net sales increased $18.3 million, or approximately 7.1%, for the three months ended September 30, 2008 as compared with the three months ended September 30, 2007. Of this amount, approximately $1.7 million was due to currency exchange, as our reported results in U.S. dollars were positively impacted by stronger foreign currencies. Packaging Systems' net sales increased $6.7 million, or approximately 13.0%, primarily as a result of increases in our specialty dispensing products and our industrial closure, ring and lever products. Net sales within Energy Products increased $15.1 million, or approximately 37.4%, as our specialty gasket business benefited from continued high levels of activity at petroleum refineries and petrochemical facilities and our engine business benefitted from increased demand driven by completion of previously drilled wells. Net sales within Industrial Specialties increased $8.2 million, or approximately 16.1%, due to continued strong demand in the majority of businesses in this segment, most notably within our aerospace fastener, industrial cylinder and defense businesses. Net sales within RV & Trailer Products decreased $3.9 million, or approximately 8.6%, primarily due to reduced sales in our electrical and trailer products businesses due to weak end-market demand. Recreational Accessories' net sales decreased $7.9 million, or 11.3%, primarily as a result of decreased sales due to weak end-market demand and changes in certain promotional programs in our retail business.

Gross profit margin (gross profit as a percentage of sales) approximated 25.9% and 27.0% for three months ended September 30, 2008 and 2007, respectively. Packaging Systems' gross profit margin decreased to 27.9% for the three months ended September 30, 2008, from 28.7% for the three months ended September 30, 2007, due primarily to increasing raw material costs. Energy Products' gross profit margin decreased to 26.5% for the three months ended September 30, 2008, as compared to 27.0% for the three months ended September 30, 2007, due primarily to higher domestic production costs in our specialty gasket business . Gross profit margin within Industrial Specialties approximated 28.1% and 28.3% for the three months ended September 30, 2008 and 2007, respectively. This decrease was

primarily due to lower absorption of fixed costs and higher production costs in our specialty fittings business. RV & Trailer Products' gross profit margin decreased from 21.8% for the three months ended September 30, 2007 to 17.7% for the three months ended September 30, 2008, due to increased sourcing and commodity costs, combined with operating inefficiencies and lower absorption of fixed costs due to the lower demand levels. Recreational Accessories' gross profit margin decreased to 27.0% for the three months ended September 30, 2008, from 28.2% for the three months ended September 30, 2007, due primarily to higher commodity and freight costs, which were partially offset by pricing strategies and cost savings as a result of the closure of our Huntsville, Ontario, Canada facility in the fourth quarter of 2007.

Operating profit margin (operating profit as a percentage of sales) approximated 10.1% and 9.9% for the three months ended September 30, 2008 and 2007, respectively. Operating profit increased $2.4 million, or 9.5%, to $27.9 million for the quarter ended September 30, 2008, from $25.5 million for the quarter ended September 30, 2007, primarily due to sales volume increases in our Packaging Systems, Energy Products and Industrial Specialties segments. Packaging Systems' operating profit margin was 14.8% and 15.7% in the three months ended September 30, 2008 and 2007, respectively. Operating profit increased $0.6 million, or approximately 6.9%, for the three months ended September 30, 2008, as compared with the three months ended September 30, 2007, due to an increase in sales, which was partially offset by increases in raw material costs and expenses incurred to support our sales growth initiatives. Energy Products' operating profit margin was 14.7% and 12.1% for the three months ended September 30, 2008 and 2007, respectively. Operating profit increased $3.3 million, or approximately 68.1%, for the three months ended September 30, 2008, as compared with the three months ended September 30, 2007, due primarily to sales volume increases in both our specialty gasket and engine businesses and the favorable impact of prior quarter investments supporting our sales growth initiatives. Industrial Specialties' operating profit margin was 20.4% and 19.5% for the three months ended September 30, 2008 and 2007, respectively. Operating profit increased $2.2 million, or approximately 22.0%, for the three months ended September 30, 2008 as compared with the three months ended September 30, 2007, due primarily to higher sales levels between years. RV & Trailer Products' operating profit margin decreased to 3.1% for the quarter ended September 30, 2008, from 9.3% for the quarter ended September 30, 2007. Operating profit decreased $3.0 million in the three months ended September 30, 2008, as compared with the three months ended September 30, 2007, due primarily to the increased commodity costs and lower sales in the North American trailer and electrical products businesses, which were partially offset by increased sales and profit in our Australian business. Recreational Accessories' operating profit margin was 4.4% and 7.1% in the three months ended September 30, 2008 and 2007, respectively. Operating profit decreased $2.2 million in the three months ended September 30, 2008, compared with the three months ended September 30, 2007, primarily due to decreased sales volumes in our towing and retail business, which were partially offset by savings as a result of the Huntsville facility closure in the fourth quarter of 2007, lower costs due to the consolidation of our towing products distribution network and lower discretionary spending in both our towing products and retail businesses.

Adjusted EBITDA margin (Adjusted EBITDA as a percentage of sales) approximated 13.8% and 13.6% for the three months ended September 30, 2008 and 2007, respectively. Adjusted EBITDA increased $3.0 million for the three months ended September 30, 2008, as compared to the three months ended September 30, 2007, consistent with the increase in operating profit between years after consideration of approximately $0.2 million of gains on transactions denominated in foreign currencies during the three months ended September 30, 2008, compared to approximately $0.2 million of losses on such transactions in the three months ended September 30, 2007.

Packaging Systems. Net sales increased $6.7 million, or approximately 13.0%, to $58.5 million in the three months ended September 30, 2008, as compared to $51.8 million in the three months ended September 30, 2007. Overall, sales increased approximately $0.9 million due to currency exchange, as our reported results in U.S. dollars were positively impacted as a result of stronger foreign currencies. In addition, sales of our specialty dispensing products increased approximately $1.2 million and sales of our industrial closures, rings and levers increased approximately $4.6 million in the three months ended September 30, 2008 as compared to the three months ended September 30, 2007. Sales of our laminates and insulation products were essentially flat.

Packaging Systems' gross profit increased approximately $1.4 million to $16.3 million, or 27.9% of sales, in the three months ended September 30, 2008, as compared to $14.9 million, or 28.7% of sales, in the three months ended September 30, 2007. The increase in gross profit between years is primarily attributed to increased sales volumes in our specialty dispensing and industrial closure products, which were partially offset by increased steel and resin costs and other commodity items.

Packaging Systems' selling, general and administrative expenses increased approximately $1.1 million to $7.9 million, or 13.5% for the three months ended September 30, 2008, as compared to $6.8 million or 13.1% of sales, in the three months ended September 30, 2007. The increase is primarily attributable to compensation and other related expenses incurred to support sales growth initiatives.

Packaging Systems' operating profit increased $0.6 million to $8.7 million, or 14.8% of sales, in the three months ended September 30, 2008, as compared to $8.1 million, or 15.7% of sales, in three months ended September 30, 2007, as the impact of favorable currency exchange and increased sales volumes was partially offset by increases in raw material costs and the expenses incurred to support sales growth initiatives.

Packaging Systems' Adjusted EBITDA increased $1.3 million to $12.6 million, or 21.5% of sales, in the three months ended September 30, 2008, as compared to $11.3 million, or 21.8% of sales, in the three months ended September 30, 2007. The increase in Adjusted EBITDA is consistent with the change in operating profit between years after consideration approximately $0.8 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007.

Energy Products. Net sales for the three months ended September 30, 2008 increased $15.1 million, or 37.4%, to $55.4 million, as compared to $40.3 million in the three months ended September 30, 2007. Sales of specialty gaskets and related fastening hardware increased approximately $4.1 million as a result of increased demand from existing customers due to continued high levels of turn-around activity at petrochemical refineries and increased demand for replacement parts as refineries continue to operate at capacity. Sales of slow speed engines and compressors and related products increased approximately $11.0 million, primarily due to increased demand for single cylinder engines in both the U.S. and Canadian markets, driven by completion of previously drilled wells and strong demand for new engines and well site gas production equipment.

Gross profit within Energy Products increased $3.8 million to $14.7 million, or 26.5% of sales, in the three months ended September 30, 2008, as compared to $10.9 million, or 27.0% of sales, in the three months ended September 30, 2007. Gross profit increased approximately $4.1 million primarily as a result of the increased sales levels between years. Our slow speed engine business experienced gross profit margin expansion resulting from slight reductions in the cost of raw material inputs and increased operating leverage, with the incremental sales achieved without the addition of significant fixed costs. These increases in gross profit were partially offset by a deterioration of gross profit margin in our specialty gasket business, primarily resulting from supply chain interruptions from off-shore sources which resulted in higher domestic production costs.

Selling, general and administrative expenses within Energy Products increased $0.5 million to $6.5 million, or 11.7% of net sales, in the three months ended September 30, 2008, as compared to $6.0 million, or 14.9% of net sales, in the three months ended September 30, 2007. These businesses were able to increase sales without significant additional investment in administrative costs.

Overall, operating profit within Energy Products increased $3.3 million to $8.2 million, or 14.7% of sales, in the three months ended September 30, 2008, as compared to $4.9 million, or 12.1% of sales, in the three months ended September 30, 2007, due principally to higher sales volumes and the impact of investments made earlier in 2008, primarily in our slow speed engine business, to support of our sales growth initiatives.

Energy Products' Adjusted EBITDA increased $3.2 million to $8.9 million, or 16.0% of sales, in the three months ended September 30, 2008, as compared to $5.7 million, or 14.1% of sales, in the three months ended September 30, 2007, consistent with the improvement in operating profit between years.

Industrial Specialties. Net sales for the three months ended September 30, 2008 increased $8.2 million, or 16.1%, to $59.2 million, as compared to $51.0 million in the three months ended September 30, 2007. Net sales increased 22.8% in our aerospace fastener business, as we continued to benefit from market share gains as well as strong overall market demand. Sales in our industrial cylinder business increased by 17.9%, primarily as a result of increased sales of exported ISO cylinder. Net sales in our defense business improved by 32.2% as our customers continue to build their inventory of cartridge cases in advance of the relocation of the facility. Our precision cutting tool business' sales were essentially flat despite the weak industrial markets that it serves, and benefitted from the introduction of new medical and specialty cutting tool products. Sales within our specialty fittings business declined approximately 17.3% in the third quarter of 2008 as compared to the third quarter of 2007 due to continuing weak domestic automotive market demand and extended production shut-downs by our customers. Finally, sales in our medical device business increased by 12.8%, primarily as a result of a full quarter of sales in 2008 as opposed to two months in 2007, as it was acquired on August 1, 2007.

Gross profit within Industrial Specialties increased $2.2 million to $16.7 million, or 28.1% of sales, in the three months ended September 30, 2008, from $14.5 million, or 28.3% of sales, in the three months ended September 30, 2007. This increase in gross profit was primarily a result of the increase in sales levels between years and improved margins in our specialty cutting tool, defense and aerospace businesses, which were partially offset by increased operating costs in our specialty fittings business, due primarily to lower absorption of fixed costs as a result of lower production and sales levels.

Selling, general and administrative expenses increased $0.1 million to $4.4 million, or 7.4% of sales, in the three months ended September 30, 2008, as compared to $4.3 million, or 8.5% of sales, in the three months ended September 30, 2007. These businesses were able to increase sales without significant additional investment in administrative costs.

Operating profit improved by $2.2 million to $12.1 million or 20.4% of sales for the three months ended September 30, 2008, as compared to $9.9 million or 19.5% for the three months ended September 30, 2007. This increase relates to the benefit of higher sales levels between years and improved margins in our specialty tool, defense and aerospace businesses, which were partially offset by lower absorption of fixed costs in our specialty fittings business.

Industrial Specialties' Adjusted EBITDA increased $2.0 million to $13.6 million, or 22.9% of sales, in the three months ended September 30, 2008, as compared to $11.6 million, or 22.6% of sales, in the three months ended September 30, 2007, consistent with the improvement in operating profit between years.

RV & Trailer Products. Net sales decreased $3.9 million to $42.0 million for the three months ended September 30, 2008, as compared to $45.9 million for the three months ended September 30, 2007. Net sales were favorably impacted by $0.8 million of currency exchange, as our reported results in U.S. dollars were positively impacted as a result of a stronger Australian dollar. In addition, this segment benefited from increased sales in our legacy Australian business and from the acquisition of Parkside Towbars, which was completed in the first quarter of 2008. However, these increases were more than offset by our trailer and electrical products businesses decline in North American sales of approximately $6.3 million as a result of decreased demand in end markets served due to uncertain economic conditions.

RV & Trailer Products' gross profit declined $2.6 million to $7.4 million, or 17.7% of sales, for the three months ended September 30, 2008, from approximately $10.0 million, or 21.8% of sales, in the three months ended September 30, 2007. Of the decrease in gross profit between years, approximately $1.8 million is attributed to the decline in sales volumes between periods. Further, gross profit between years was negatively impacted approximately $2.6 million due to lower absorption of fixed costs resulting from reduced manufacturing activity in response to lower demand, which were in part offset by pricing initiatives, reductions in variable spending in response to lower sales levels, and the favorable effects of currency exchange.

Selling, general and administrative expenses increased $0.4 million to $6.1 million, or 14.5% of sales, in the three months ended September 30, 2008, as compared to $5.7 million, or 12.3% of sales, in the three months ended September 30, 2007, as increases in spending related to growth initiatives within our Australian and Thailand businesses, including our acquisition of the Parkside Towbars business, were substantially offset by reductions in fixed and discretionary spending in North America in response to reduced demand for our trailer and electrical products in that market.

RV & Trailer Products' operating profit decreased $3.0 million, to approximately $1.3 million, or 3.1% of sales, in the three months ended September 30, 2008, from $4.3 million, or 9.3% of net sales, in the three months ended September 30, 2007. Higher sales and gross profit in our Australian business, including Parkside Towbars and the impact of pricing initiatives, were more than offset by increasing commodity costs, the impact of reduced sales volumes and lower absorption of fixed costs in our trailer and electrical products businesses in North America.

RV & Trailer Products' Adjusted EBITDA decreased $3.0 million to $3.5 million, or 8.2% of sales, for the three months ended September 30, 2008, from $6.5 million, or 14.1% of sales, for the three months ended September 30, 2007, consistent with the change in operating profit between years.

Recreational Accessories. Net sales decreased $7.9 million to $61.7 million for the three months ended September 30, 2008, from $69.6 million in the three months ended September 30, 2007. Sales within our towing products business decreased approximately $5.3 million in the third quarter of 2008 as compared to the third quarter of 2007, as increases in sales of new products were more than offset by declines in sales in the installer, distributor and original equipment channels, due to continued weak end-market demand and low consumer confidence resulting from economic uncertainty. Sales within our retail channel business declined an approximate $2.6 million in the third quarter of 2008 as compared to third quarter 2007 due to reduced sales levels as a result of economic uncertainty and the impact of certain customer promotional programs.

Gross profit within Recreational Accessories decreased $3.0 million to $16.7 million, or 27.0% of sales, for the quarter ended September 30, 2008, as compared to $19.7 million, or 28.2% of sales, for the quarter ended September 30, 2007. Of the decline in gross profit, approximately $2.0 million resulted from the decrease in sales year-over-year and $0.7 million of higher costs associated with customer promotional programs. The remaining net decrease between years resulted from the impact of increased freight charges, higher commodity costs and a less favorable product mix which were

largely offset by pricing initiatives and cost savings realized as a result of the closure of our Huntsville, Ontario, Canada facility, which was closed in the fourth quarter of 2007

Recreational Accessories' selling, general and administrative expenses decreased $0.6 million to $14.0 million, or 22.7% of sales, for the three months ended September 30, 2008, from $14.6 million, or 20.9%, in the three months ended September 30, 2007. The decrease between years was due primarily to reductions in selling and distribution expenses in our towing products business as a result of further consolidation of our warehouse and distribution network, lower discretionary spending corresponding with the decline in sales in our installer and distributor channels and lower promotional spending in our retail channel business.

Recreational Accessories' operating profit declined $2.2 million to approximately $2.7 million, or 4.4% of sales, in the three months ended September 30, 2008, from $4.9 million, or 7.1% of sales, in the three months ended September 30, 2007. The decline in operating profit was primarily the result of the decline in sales between years, which was partially offset by cost savings due to the closure of the Huntsville facility, lower costs due to the further consolidation of the distribution network within our towing products business and continued lower discretionary spending in both our towing products and retail businesses in response to the overall decline in sales.

Recreational Accessories' Adjusted EBITDA decreased $2.6 million to $5.1 million, or 8.3% of sales, for the three months ended September 30, 2008, from $7.7 million, or 11.1% of sales, for the three months ended September 30, 2007, consistent with the change in operating profit between years.

Corporate Expenses and Management Fees. Corporate expenses and management fees included in operating profit and Adjusted EBITDA consist of the following:

	Three months ended September 30,	
	2008	2007
	(in millions)	
Corporate operating expenses	$ 2.6	$ 4.1
Employee costs and related benefits	2.5	2.5
Corporate expenses and management fees—operating profit	$ 5.1	$ 6.6
Receivables sales and securitization expenses	0.7	1.2
Depreciation	(0.1)	(0.1)
Other, net	(0.2)	(0.1)
Corporate expenses and management fees—Adjusted EBITDA	$ 5.5	$ 7.6

Corporate operating expenses decreased $1.5 million to $2.6 million in the three months ended September 30, 2008, from $4.1 million in the three months ended September 30, 2007. The decrease between years is due primarily to decreased professional and audit fees expense, as in the third quarter of 2007 we incurred higher-than-normal professional services fees during the third quarter of 2007 in support of our efforts to fully document and complete initial testing associated with the requirements of Sarbanes-Oxley. In addition, we are experiencing lower operating expenses associated with our Asian sourcing office. Employee costs and related benefits are flat year-over-year, as the benefit from our corporate restructuring in the second quarter of 2008 was offset by higher incentive compensation costs than the year ago period and rising health and other benefit costs as compared to the three months ended September 30, 2007. Receivables sales and securitization expenses decreased by approximately $0.5 million in the three months ended September 30, 2008 as compared with the three months ended September 30, 2007, due primarily to decreases in the weighted average securitization rate from 7.4% in the third quarter of 2007 to 4.2% in the third quarter of 2008.

Interest Expense. Interest expense decreased approximately $2.1 million to $13.6 million for the three months ended September 30, 2008, as compared to $15.7 million for the three months ended September 30, 2007. The decrease in interest expense was primarily the result of a decrease in weighted average variable rate U.S. borrowings outstanding between periods from $298.2 million in the third quarter of 2007 to $282.5 million in the third quarter of 2008 and a decrease in our weighted average interest rate on variable rate U.S. borrowings to approximately 5.0% during the third quarter of 2008, from approximately 7.7% during the third quarter of 2007.

Other Expense, Net. Other expense, net decreased approximately $0.7 million to $0.5 million for the three months ended September 30, 2008, as compared to $1.2 million for the three months ended September 30, 2007. The amounts in both periods primarily represent expenses incurred in connection with the use of our receivables securitization facility and sales of receivables to fund working capital needs. In addition, we recognized gains on transactions denominated in foreign currencies of approximately $0.2 million during the three months ended September 30, 2008, compared to recognizing losses on such transactions in the three months ended September 30, 2007 of approximately $0.2 million.

Income Taxes. The effective income tax rates for the three months ended September 30, 2008 and 2007 were 40% and 37%, respectively. The increase in the effective rate in the quarter ended September 30, 2008 compared to the same period a year ago is primarily related to a shift in pre-tax income from lower-taxed jurisdictions to higher-taxed jurisdictions. In the quarter ended September 30, 2008, the Company reported domestic and foreign pre-tax income from continuing operations of approximately $10.1 million and $3.7 million, respectively. In the quarter ended September 30, 2007, the Company reported domestic and foreign pre-tax income from continuing operations of approximately $2.5 million and $6.0 million, respectively.

Discontinued Operations. The results of discontinued operations consist of our industrial fastening business through February 2007, when the sale of the business was completed, our N.I. Industries rocket launcher line of business through December 2007, when the sale of the business was completed, and our N.I. Industries property management line of business, currently held for sale, through September 30, 2008. The results of operations also include certain non-operating charges related to our industrial fastening businesses post-sale. Income from discontinued operations, net of income tax expense, was $0.02 million and $1.2 million for the three months ended September 30, 2008 and September 30, 2007, respectively. See Note 3, "*Discontinued Operations and Assets Held for Sale*," to our consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q.

Nine months Ended September 30, 2008 Compared with Nine months Ended September 30, 2007

Overall, net sales increased $22.8 million, or approximately 2.7%, for the nine months ended September 30, 2008 as compared with the nine months ended September 30, 2007. Of this increase, approximately $11.9 million was due to currency exchange, as our reported results in U.S. dollars were positively impacted by stronger foreign currencies. Packaging Systems' net sales increased $8.3 million, or approximately 5.1%, primarily as a result of increases in sales of our industrial closures, ring and levers, increased sales of specialty dispensing products and the impact of favorable currency exchange. Net sales within Energy Products increased $34.5 million, or approximately 28.0%, as our specialty gasket business benefitted from continued high levels of activity at petroleum refineries and petrochemical facilities and our engine business benefitted from increased demand in both the U.S. and Canadian markets. Net sales within Industrial Specialties increased $14.4 million, or approximately 9.4%, due to continued strong demand in our aerospace fastener and industrial cylinder businesses, as well as the acquisition of our medical device business in August 2007. Net sales within RV & Trailer Products decreased $10.1 million, or approximately 6.6%, due to weak end market demand and downward market pricing pressures in North America. Recreational Accessories' net sales decreased

$24.4 million, or 10.2%, due to continued weak end market demand in the installer and original equipment market channels in our towing products business and reduced sales in our retail business due to the current economic pressures.

Gross profit margin (gross profit as a percentage of sales) approximated 26.2% and 27.4% for the nine months ended September 30, 2008 and 2007, respectively. Packaging Systems' gross profit margin decreased to 28.8% for the nine months ended September 30, 2008, from 29.9% for the nine months ended September 30, 2007, as the benefit from higher sales volumes was more than offset by increases in raw material costs. Energy Products' gross profit margin decreased to 28.4% for the nine months ended September 30, 2008, from 28.7% for the nine months ended September 30, 2007, as the benefit from higher sales volumes in both our specialty gasket and engine businesses were more than offset by higher domestic production costs in our specialty gasket business due to supply-chain interruptions. Gross profit margin within Industrial Specialties decreased to 29.0% for the nine months ended September 30, 2008, from 29.5% in the nine months ended September 30, 2007, due principally to increased costs in our specialty fittings business resulting from lower absorption of fixed costs. RV & Trailer Products' gross profit margin decreased to 17.4% for the nine months ended September 30, 2008, from 22.7% for the nine months ended September 30, 2007, primarily due to reduced operating leverage resulting from the reduced sales volumes in the North American trailer and electrical businesses. Recreational Accessories' gross profit margin decreased to 26.2% for the nine months ended September 30, 2008, from 26.7% for the nine months ended September 30, 2007, due primarily to reduced operating leverage resulting from the reduced sales volumes in both our towing products and retail businesses, which were partially offset by cost savings as a result of the closure of our Huntsville, Ontario, Canada facility in the fourth quarter of 2007.

Operating profit margin (operating profit as a percentage of sales) approximated 10.1% and 9.4% for the nine months ended September 30, 2008 and 2007, respectively. Operating profit increased $7.7 million, or 9.9%, to $85.9 million for the nine months ended September 30, 2008, from $78.2 million for the nine months ended September 30, 2007, primarily due to the impact of the use of IPO proceeds, including a $10.0 million payment to Heartland as a contractual settlement in exchange for termination of their right to receive a $4.0 million annual fee under an advisory services agreement and $4.2 million of costs and expenses related to the early termination of operating leases. Packaging Systems' operating profit margin was 15.7% and 17.2% for the nine months ended September 30, 2008 and 2007, respectively. Operating profit decreased $1.2 million, or 4.4% to $26.7 million for the nine months ended September 30, 2008, as compared with and the nine months ended September 30, 2007, as higher sales volumes in our specialty dispensing products and our industrial closures, rings and levers were more than offset by decreases in sales of our laminates and insulation products and by increasing commodity costs. Energy Products' operating profit margin was 15.7% and 13.8%, respectively, for each of the nine months ended September 30, 2008 and 2007. Operating profit increased $7.8 million, or approximately 45.7%, for the nine months ended September 30, 2008, as compared with the nine months ended September 30, 2007, due primarily to increased sales levels in our specialty gasket business and increased sales and operating margins in our engine business, which were partially offset by costs associated with the separation of the former Group President. Industrial Specialties' operating profit margin was 20.6% and 21.0% for the nine months ended September 30, 2008 and 2007, respectively. Operating profit increased $2.4 million, or approximately 7.4%, for the nine months ended September 30, 2008 as compared with the nine months ended September 30, 2007, due primarily to higher sales levels, most notably in our aerospace fastener and industrial cylinder businesses, which were partially offset by lower absorption of fixed costs in our specialty fittings business and costs associated with the separation of the former Group President. RV & Trailer Products' operating profit margin declined to 4.3% for the nine months ended September 30, 2008, from 11.0% for the nine months ended September 30, 2007. Operating profit decreased $10.6 million in the nine months ended September 30, 2008, as compared with the nine months ended September 30, 2007, due primarily to the sales volume decline between years, primarily in our North American trailer and electrical businesses.

Recreational Accessories' operating profit margin was 5.5% and 7.3% in the nine months ended September 30, 2008 and 2007, respectively. Operating profit decreased $5.6 million in the nine months ended September 30, 2008, compared with the nine months ended September 30, 2007, primarily due to the lower sales volumes in our towing and retail businesses, which were partially offset by cost savings as a result of the closure of our Huntsville facility in the fourth quarter of 2007 and lower discretionary spending in our towing products business.

Adjusted EBITDA margin (Adjusted EBITDA as a percentage of sales) approximated 13.5% and 12.6% for the nine months ended September 30, 2008 and 2007, respectively. Adjusted EBITDA increased $10.2 million for the nine months ended September 30, 2008, as compared to the nine months ended September 30, 2007. The increase in Adjusted EBITDA is consistent with the change in operating profit between years after consideration approximately $2.0 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007.

Packaging Systems. Net sales increased $8.3 million, or approximately 5.1%, to $170.5 million in the nine months ended September 30, 2008, as compared to $162.2 million in the nine months ended September 30, 2007. Overall, sales increased approximately $4.3 million due to currency exchange, as our reported results in U.S. dollars were positively impacted as a result of stronger foreign currencies. In addition, sales of our specialty dispensing products and new product introductions increased by approximately $1.9 million and sales of our industrial closures, rings and levers increased by approximately $5.9 million in the nine months ended September 30, 2008 compared to the nine months ended September 30, 2007. These increases in sales were partially offset by decreases in sales of our laminates and insulation products of approximately $3.8 million as a result of lower levels of commercial construction activity.

Packaging Systems' gross profit increased approximately $0.6 million to $49.2 million, or 28.8% of sales, in the nine months ended September 30, 2008, as compared to $48.6 million, or 29.9% of sales, in the nine months ended September 30, 2007. The increase in gross profit between years is primarily attributed to the increased sales volume for our specialty dispensing products and our industrial closures, which were partially offset by lower sales volumes in our laminates and insulation products and increased steel and resin costs.

Packaging Systems' selling, general and administrative expenses increased approximately $1.9 million to $22.8 million, or 13.3% of sales, for the nine months ended September 30, 2008, as compared to $20.9 million, or 12.9% of sales, in the nine months ended September 30, 2007. The increase is primarily as a result of compensation and other related expenses incurred supporting our sales growth initiatives.

Packaging Systems' operating profit decreased $1.2 million to $26.7 million, or 15.7% of sales, in the nine months ended September 30, 2008, as compared to $27.9 million, or 17.2% of sales, in nine months ended September 30, 2007, as sales increases of our specialty dispensing products, new product introductions and industrial closures, rings and levers were more than offset by the lower sales volumes in our laminate and insulation products, increased raw material costs and investments made in supporting our sales growth initiatives.

Packaging Systems' Adjusted EBITDA increased $0.6 million to $38.3 million, or 22.4% of sales, in the nine months ended September 30, 2008, as compared to $37.7 million, or 23.2% of sales, in the nine months ended September 30, 2007. After consideration of approximately $2.0 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our initial public offering in May 2007, the change in Adjusted EBITDA is consistent with the change in operating profit between years.

Energy Products. Net sales for the nine months ended September 30, 2008 increased $34.5 million, or 28.0%, to $157.4 million, as compared to $122.9 million in the nine months ended September 30, 2007. Sales of specialty gaskets and related fastening hardware increased approximately $11.5 million as a result of increased demand from existing customers due to continued high levels of turn-around activity at petrochemical refineries and increased demand for replacement parts as refineries continue to operate at capacity. Sales of slow speed engines and compressors and related products increased approximately $23.0 million, primarily due to increased single cylinder engine demand in both the U.S. and Canadian markets, driven by completion of previously drilled wells and heavy demand for gas production equipment and spare parts.

Gross profit within Energy Products increased $9.4 million to $44.7 million, or 28.4% of sales, in the nine months ended September 30, 2008, as compared to $35.3 million, or 28.7% of sales, in the nine months ended September 30, 2007. The increase in gross profit is primarily as a result of the increase in sales levels between years. This volume-related increase was partially offset by increased costs associated with supply chain interruptions resulting in higher domestic production costs and costs associated with the move to a new location for one of our specialty gasket branches and costs related thereto.

Selling, general and administrative expenses within Energy Products increased $1.7 million to $20.0 million, or 12.7% of net sales, in the nine months ended September 30, 2008, as compared to $18.3 million, or 14.9% of net sales, in the nine months ended September 30, 2007. This increase was due to increased compensation and commission expenses in support of our sales growth initiatives and severance and other charges associated with the separation of the former Energy Products and Industrial Specialties Group President in the second quarter.

Overall, operating profit within Energy Products increased $7.8 million to $24.7 million, or 15.7% of sales, in the nine months ended September 30, 2008, as compared to $16.9 million, or 13.8% of sales, in the nine months ended September 30, 2007, due principally to higher sales volumes, which were partially offset by severance and other charges associated with the separation of the former Energy Products and Industrial Specialties Group President in the second quarter.

Energy Products' Adjusted EBITDA increased $7.7 million to $26.7 million, or 16.9% of sales, in the nine months ended September 30, 2008, as compared to $19.0 million, or 15.5% of sales, in the nine months ended September 30, 2007, consistent with the improvement in operating profit between years.

Industrial Specialties. Net sales for the nine months ended September 30, 2008 increased $14.4 million, or 9.4%, to $168.9 million, as compared to $154.5 million in the nine months ended September 30, 2007. Net sales increased 14.3% in our aerospace fastener business, as we continued to benefit from market share gains as well as strong overall market demand. Sales in our industrial cylinder business improved by 7.1% due to increases in sales of our exported ISO cylinder. Net sales in our defense business and precision cutting tool businesses were essentially flat as compared to 2007. Sales within our specialty fittings business declined approximately 14.9% due to weak domestic automotive market demand. Finally, this segment benefited from approximately $6.5 million of sales from our medical device business, which was acquired in the third quarter of 2007.

Gross profit within Industrial Specialties increased $3.5 million to $49.0 million, or 29.0% of sales, in the nine months ended September 30, 2008, from $45.5 million, or 29.5% of sales, in the nine months ended September 30, 2007. Gross profit increased primarily as a result of the increase in sales levels between years. This increase in gross profit was partially offset by increased operating costs in our specialty fittings business, due primarily to lower absorption of fixed costs as a result of lower production and sales levels.

Selling, general and administrative expenses increased $1.1 million to $14.0 million, or 8.3% of sales, in the nine months ended September 30, 2008, as compared to $12.9 million, or 8.4% of sales, in the nine months ended September 30, 2007, primarily due to the acquisition of our medical device business in the third quarter of 2007 and severance and other charges associated with the separation of the former Energy Products and Industrial Specialties Group President.

Operating profit increased $2.4 million to $34.8 million, or 20.6% of sales, for the nine months ended September 30, 2008, as compared to $32.4 million, or 21.0% of sales, in the nine months ended September 30, 2007. This increase relates to the benefit of higher sales levels between years, which was partially offset by lower absorption of fixed costs in our specialty fittings business, and increased selling and general and administrative expenses, primarily related to our newly acquired medical device business in the third quarter of 2007 and costs associated with the separation of the former Group President.

Industrial Specialties' Adjusted EBITDA increased $3.1 million to $39.2 million, or 23.2% of sales, in the nine months ended September 30, 2008, as compared to $36.1 million, or 23.3% of sales, in the nine months ended September 30, 2007. After consideration of approximately $0.7 million of increased depreciation expense primarily as the result of the acquisition of previously leased assets with the use of proceeds from our IPO in May 2007, the change in Adjusted EBITDA is consistent with the increase in operating profit between years.

RV & Trailer Products. Net sales decreased $10.0 million to $142.4 million for the nine months ended September 30, 2008, as compared to $152.4 million for the nine months ended September 30, 2007. Net sales were favorably impacted by approximately $5.4 million of currency exchange, as our reported results in U.S. dollars benefited from a stronger Australian dollar. In addition, this segment benefited from increased sales of approximately $4.8 million in our legacy Australian business, including the acquisition of Parkside Towbars, which was completed in the first quarter of 2008. However, these amounts were more than offset by a decline in North American sales of approximately $20 million due to continued weak demand as a result of current economic uncertainty, and reduced demand for our trailer and electrical products, across the majority of market channels.

RV & Trailer Products' gross profit decreased $9.8 million to $24.8 million, or 17.4% of sales, for the nine months ended September 30, 2008, from approximately $34.6 million, or 22.7% of sales, in the nine months ended September 30, 2007. Of the decrease in gross profit between years, approximately $3.5 million was attributed to the decline in sales volumes between periods. Gross profit between years was further impacted by operating inefficiencies and lower absorption of fixed costs resulting from reduced manufacturing activity in response to lower demand and a less favorable product sales mix, as our more profitable electrical products comprised a lower percentage of overall sales. These decreases were in part offset by pricing initiatives, reductions in variable spending in response to lower sales levels, and the favorable effects of currency exchange as a result of a stronger Australian dollar.

Selling, general and administrative expenses increased $1.0 million to $18.6 million, or 13.0% of sales, in the nine months ended September 30, 2008, as compared to $17.6 million, or 11.6% of sales, in the nine months ended September 30, 2007. This increase was due primarily to $1.6 million in higher spending within our Australian business, including our recently acquired Parkside Towbars business, and to support growth initiatives in Thailand. This amount was in part offset by reductions in the North American fixed and discretionary spending in response to the difficult market conditions and reduced demand for our trailer and electrical products.

RV & Trailer Products' operating profit declined $10.6 million, to approximately $6.1 million, or 4.3% of sales, in the nine months ended September 30, 2008, from $16.7 million, or 11.0% of net sales, in the nine months ended September 30, 2007. The impact of the sales volume decline, lower absorption of fixed costs and a less favorable product sales mix in our trailer and electrical products businesses in North America more than offset the impact of higher sales and gross profit in our

Australian business, including the acquisition of Parkside Towbars, and the favorable effects of currency exchange as a result of a stronger Australian dollar.

RV & Trailer Products' Adjusted EBITDA decreased $10.9 million to $11.9 million, or 8.4% of sales, for the nine months ended September 30, 2008, from $22.8 million, or 15.0% of sales, for the nine months ended September 30, 2007, consistent with the decline in operating profit between years.

Recreational Accessories. Recreational Accessories' net sales decreased $24.3 million to $214.4 million for the nine months ended September 30, 2008, from $238.7 million in the nine months ended September 30, 2007. Sales within our towing products business decreased approximately $6.8 million in the first three quarters of 2008 as compared to the first three quarters of 2007, as increases in sales of new products were more than offset by declines in sales in the installer, distributor and original equipment channels, due to continued weak end-market demand and low consumer confidence resulting from uncertain economic conditions. Sales in our retail business declined $17.5 million in the first three quarters of 2008 as compared to the first three quarters of 2007 due to the combination of lower sales volumes as a result of the current economic uncertainty and changes in certain customer promotional programs and one-time product pipeline fills that did not recur in 2008.

Gross profit within Recreational Accessories decreased $7.5 million to $56.1 million, or 26.2% of sales, for the nine months ended September 30, 2008, as compared to $63.6 million, or 26.7% of sales, for the nine months ended September 30, 2007. Of the decline in gross profit, approximately $5.6 million resulted from the decrease in sales year-over-year and $1.6 million of was due to higher costs associated with customer promotional programs. The remaining net decrease between years resulted from the impact of increasing commodity and higher freight costs which were largely offset by pricing initiatives and cost savings realized as a result of the closure of our Huntsville, Ontario, Canada facility, which was closed in the fourth quarter of 2007.

Recreational Accessories' selling, general and administrative expenses decreased by $1.8 million to $44.2 million, or 20.6% of sales, for the nine months ended September 30, 2008, as compared to $46.0 million, or 19.3% of sales, for the nine months ended September 30, 2007. The decrease between years was due primarily to reductions in selling and distribution expenses in our towing products business as a result of further consolidation of our warehouse and distribution network, lower discretionary spending corresponding with the decline in sales in our installer and distributor channels and lower promotional spending overall in our retail channel business.

Recreational Accessories' operating profit decreased $5.6 million to approximately $11.8 million, or 5.5% of sales, for the nine months ended September 30, 2008, from $17.4 million, or 7.3% of sales, for the nine months ended September 30, 2007. The decline in operating profit is primarily the result of the decline in sales between years, which was partially offset by cost savings due to the closure of the Huntsville facility, lower costs due to the further consolidation of the distribution network within our towing products business and continued lower discretionary spending in both our towing products and retail businesses in response to the decline in sales in certain end-markets.

Recreational Accessories' Adjusted EBITDA decreased $6.1 million to $19.0 million, or 8.9% of sales, for the nine months ended September 30, 2008, from $25.1 million, or 10.5% of sales, for the nine months ended September 30, 2007, consistent with the decline in operating profit between years.

Corporate Expenses and Management Fees. Corporate expenses and management fees included in operating profit and Adjusted EBITDA consist of the following:

	Nine months ended September 30,	
	2008	2007
	(in millions)	
Corporate operating expenses	$ 8.8	$ 9.9
Employee costs and related benefits	9.4	7.0
Costs for early termination of operating leases	—	4.2
Management fees and expenses	—	12.1
Corporate expenses and management fees—operating profit	$ 18.2	$ 33.2
Receivables sales and securitization expenses	2.2	3.4
Depreciation	(0.1)	(0.1)
Other, net	(0.4)	(0.7)
Corporate expenses and management fees—Adjusted EBITDA	$ 19.9	$ 35.8

Corporate expenses and management fees decreased $15.0 million to $18.2 million in the nine months ended September 30, 2008, from $33.2 million in the nine months ended September 30, 2007. The decrease between years is primarily due to the impact of the use of IPO proceeds, which included payment of a $10.0 million termination fee to Heartland for agreeing to a contractual settlement of its right to receive a $4.0 million annual fee under its advisory services agreement and a $4.2 million of costs and expenses related to the early termination of operating leases. Additionally, we incurred higher-than-normal professional services fees during 2007 in support of our efforts to fully document and complete initial testing associated with the requirements of Sarbanes-Oxley. We also experienced lower operating expenses associated with our Asian sourcing office. Employee costs and related benefits increased by $2.4 million in the nine months ended September 30, 2008 compared to the nine months ended September 30, 2007, due to approximately $1.6 million of severance and other costs incurred in connection with our corporate office restructuring in the second quarter of 2008 and an increase in equity compensation expense of $0.8 million. Receivables sales and securitization expenses decreased by approximately $1.2 million in the nine months ended September 30, 2008 as compared with the nine months ended September 30, 2007, due primarily to decreases in the weighted average securitization rate from 7.3% in 2007 to 4.7% in 2008.

Interest Expense. Interest expense, including debt extinguishment costs, decreased approximately $18.2 million, to $42.2 million for the nine months ended September 30, 2008, as compared to $60.4 million for the nine months ended September 30, 2007. Debt extinguishment costs of $7.4 million were incurred in connection with the retirement of $100.0 million face value of senior subordinated notes in June 2007. In addition, the Company incurred approximately $5.0 million less in interest expense in the nine months ended September 30, 2008 than in the nine months ended September 30, 2007 due to the aforementioned retirement of the $100.0 million senior subordinated notes in June 2007 in connection with the use of IPO proceeds. The remainder decrease is primarily the result of a decrease in our weighted average interest rate on variable-rate U.S. borrowings to approximately 5.4% during the first nine months of 2008, from approximately 8.0% during the first nine months of 2007. Weighted average U.S. borrowings decreased from approximately $299.4 million in the nine months ended September 30, 2007 to approximately $297.8 million in the nine months ended September 30, 2008.

Other Expense, Net. Other expense, net decreased approximately $0.5 million to $3.0 million for the nine months ended September 30, 2008, from $3.5 million for the nine months ended September 30, 2007. The amounts in both periods primarily represent expenses incurred in connection

with the use of our receivables securitization facility and sales of receivables to fund working capital needs. The expense was lower in 2008 due to lower average securitization rates. In addition, we recognized losses on transactions denominated in foreign currencies of approximately $0.4 million and $0.3 million during the nine months ended September 30, 2008 and 2007, respectively.

Income Taxes. The effective income tax rate was 37% for the nine months ended September 30, 2008 and 2007, respectively. In the nine months ended September 30, 2008, the Company reported domestic and foreign pre-tax income of approximately $27.2 million and $13.5 million, respectively. In the nine months ended September 30, 2007, the Company reported a domestic pre-tax loss of approximately $0.1 million and foreign pre-tax income of approximately $14.4 million, respectively.

Discontinued Operations. The results of discontinued operations consist of our industrial fastening business through February 2007, when the sale of the business was completed, our N.I. Industries rocket launcher line of business through December 2007, when the sale of the business was completed, and our N.I. Industries property management line of business, currently held for sale, through September 30, 2008. The results of operations also include certain non-operating charges related to our industrial fastening businesses post-sale. Income from discontinued operations, net of income tax expense, was $0.2 million and $1.3 million for the nine months ended September 30, 2008 and September 30, 2007, respectively. See Note 3, "*Discontinued Operations and Assets Held for Sale*," to our consolidated financial statements included in Part I, Item 1 of this report on Form 10-Q.

Liquidity and Capital Resources

Cash Flows

Cash provided by operating activities for the nine months ended September 30, 2008 was approximately $22.8 million as compared to $46.9 million for the nine months ended September 30, 2007. The decrease between years is primarily the result of reductions in amounts outstanding under our receivables securitization facility of approximately $26.7 million during the nine months ended September 30, 2008, as compared to net proceeds therefrom of approximately $28.6 million during the nine months ended September 30, 2008. This change in net proceeds/reductions in accounts receivable securitization was partially offset by working capital management, consisting primarily of lower increases in accounts receivable and inventories when compared to the year ago period.

Net cash used for investing activities for the nine months ended September 30, 2008 was approximately $24.2 million as compared to $59.9 million for the nine months ended September 30, 2007. During the first nine months of 2008, we paid approximately $2.9 million for the acquisition of Parkside Towbars, net of cash acquired, and approximately $3.5 million in additional purchase price in connection with earn-out clauses related to prior year acquisitions. In 2007, we purchased approximately $30.0 million of machinery and equipment subject to operating leases, $17.1 million which was completed by using proceeds from our initial public offering and $12.9 million which related to our Frankfort, Indiana industrial fastening business, which was sold in February 2007. In the third quarter 2007, we paid approximately $13.5 million to acquire certain assets from Quest Technologies, Inc. for our Cequent towing business and all of the capital stock of DEW Technologies, Inc., a medical device manufacturer. We also generated cash proceeds of $4.0 million associated with the sale of the Frankfort, Indiana industrial fastening business in February 2007. During the first nine months of 2008, capital expenditures and proceeds from disposition of assets, excluding the Frankfort sale, were relatively consistent with the levels in the first nine months of 2007.

Net cash provided by financing activities was approximately $1.3 million for the nine months ended September 30, 2008, as compared to net cash provided by financing activities of approximately $13.6 million for the nine months ended September 30, 2007. During the first nine months of 2008 the net cash provided by financing activities represents additional borrowings under our existing credit facilities. During the first nine months of 2007, we received net proceeds from the initial public offering

of our common stock of approximately $126.5 million. We used these net proceeds, along with cash on hand and revolving credit borrowings, to retire $100.0 million face value of senior subordinated notes and fund the related $4.9 million call premium, to fund the $10 million advisory services agreement termination fee and for the payment to early terminate operating leases and acquire the underlying machinery and equipment. In addition, we repaid approximately $12.9 million of borrowings under our existing credit facilities.

Our Debt and Other Commitments

Our credit facility is comprised of a $90.0 million revolving credit facility, a $60.0 million deposit-linked supplemental revolving credit facility and a $260.0 million term loan facility. At September 30, 2008, approximately $254.8 million was outstanding on the term loan and $2.9 million was outstanding on the revolving credit facility. Under the credit facility, up to $90.0 million in the aggregate of our revolving credit facility is available to be used for one or more permitted acquisitions subject to certain conditions and other outstanding borrowings and issued letters of credit. Our credit facility also provides for an uncommitted $100.0 million incremental term loan facility that, subject to certain conditions, is available to fund one or more permitted acquisitions or to repay a portion of our senior subordinated notes.

Amounts drawn under our revolving credit facilities fluctuate daily based upon our working capital and other ordinary course needs. Availability under our revolving credit facilities depends upon, among other things, compliance with our credit agreement's financial covenants. Our credit facilities contain negative and affirmative covenants and other requirements affecting us and our subsidiaries, including among others: restrictions on incurrence of debt (except for permitted acquisitions and subordinated indebtedness), liens, mergers, investments, loans, advances, guarantee obligations, acquisitions, asset dispositions, sale-leaseback transactions, hedging agreements, dividends and other restricted junior payments, stock repurchases, transactions with affiliates, restrictive agreements and amendments to charters, by-laws, and other material documents. The terms of our credit agreement require us and our subsidiaries to meet certain restrictive financial covenants and ratios computed quarterly, including a leverage ratio (total consolidated indebtedness plus outstanding amounts under the accounts receivable securitization facility over consolidated EBITDA, as defined), interest expense ratio (consolidated EBITDA, as defined, over cash interest expense, as defined) and a capital expenditures covenant. The most restrictive of these financial covenants and ratios is the leverage ratio. Our permitted leverage ratio under our amended and restated credit agreement is 5.00 to 1.00 for July 1, 2008 to June 30, 2009, 4.75 to 1.00 for July 1, 2009 to September 30, 2009, 4.50 to 1.00 for October 1, 2009 to June 30, 2010, 4.25 to 1.00 for July 1, 2010 to September 30, 2011 and 4.00 to 1.00 from October 1, 2011 and thereafter. Our actual leverage ratio was 4.08 to 1.00 at September 30, 2008 and we were in compliance with our covenants as of that date.

The following is the reconciliation of net income (loss), which is a GAAP measure of our operating results, to Consolidated Bank EBITDA, as defined in our credit agreement as in effect on September 30, 2008, for the twelve month period ended September 30, 2008.

	Year Ended December 31, 2007	Less: Nine Months Ended September 30, 2007	Add: Nine Months Ended September 30, 2008	Twelve Months Ended September 30, 2008
	(dollars in thousands)			
Net income (loss), as reported	$ (158,430)	$ 10,440	$ 25,640	$ (143,230)
Bank stipulated adjustments:				
Interest expense, net (as defined)	68,310	52,920	42,300	57,690
Income tax expense (benefit)(1)	(10,410)	6,960	15,310	(2,060)
Depreciation and amortization	41,350	30,380	32,440	43,410
Extraordinary non-cash charges(2)	178,450	—	—	178,450
Heartland monitoring fee and expenses(3)	12,000	12,000	—	—
Interest equivalent costs(4)	4,230	3,200	2,210	3,240
Non-cash expenses related to stock option grants(5)	570	350	1,160	1,380
Other non-cash expenses or losses	4,450	2,950	2,540	4,040
Losses on early termination of operating leases from net proceeds of an IPO	4,230	4,230	—	—
Non-recurring expenses or costs for cost savings projects(6)	6,630	740	2,860	8,750
Permitted dispositions(7)	240	(1,420)	230	1,890
Permitted acquisitions(8)	2,550	2,470	40	120
Debt extinguishment costs(9)	7,440	7,440	—	—
Consolidated Bank EBITDA, as defined	$ 161,610	$ 132,660	$ 124,730	$ 153,680

	September 30, 2008
	(dollars in thousands)
Total long-term debt	$ 615,790
Aggregate funding under the receivables securitization facility	11,000
Total Consolidated Indebtedness, as defined	$ 626,790
Consolidated Bank EBITDA, as defined	$ 153,680
Actual leverage ratio	4.08x
Covenant requirement	5.00x

(1) Amount includes tax benefits associated with discontinued operations and cumulative effect of accounting change.

(2) Non-cash charges associated with tangible and intangible asset impairments, including goodwill.

(3) Represents management fees and expenses paid to Heartland pursuant to the former Advisory Services Agreement and Advisory Services Agreement termination.

(4) Interest-equivalent costs associated with the use of the Company's receivables securitization facility.

(5) Non-cash expenses resulting from the grant of restricted shares of common stock and common stock options.

(6) Non-recurring costs and expenses relating to cost savings projects, including restructuring and severance expenses, not to exceed $50,000,000 in aggregate.

(7) EBITDA from permitted dispositions, as defined.

(8) EBITDA from permitted acquisitions, as defined.

(9) Includes approximately $4.9 million call premium, $2.3 million write-off of debt issue costs and $0.3 million accretion of net discount, all incurred in connection with the retirement of $100.0 million face value of our senior subordinated notes in the second quarter of 2007.

Three of our international businesses are also parties to loan agreements with banks, denominated in their local currencies. In the United Kingdom, we are party to a revolving debt agreement with a bank in the amount of £1.0 million (approximately $0.1 million outstanding at September 30, 2008) which is secured by a letter of credit under our credit facilities. In Italy, we are party to a €5.0 million note agreement with a bank (approximately $2.4 million outstanding at September 30, 2008) with a term of seven years, which expires December 12, 2012 and is secured by land and buildings of our local business unit. In Australia, we are party to a debt agreement with a bank in the amount of $23 million Australian dollars (approximately $18.4 million outstanding at September 30, 2008) for a term of five years which expires December 31, 2010. Borrowings under this arrangement are secured by substantially all the assets of the local business which is also subject to financial ratio and reporting covenants. Financial ratio covenants include: capital adequacy ratio (tangible net worth over total tangible assets), interest coverage ratio (EBIT over gross interest cost). In addition to the financial ratio covenants there are other financial restrictions such as restrictions on dividend payments, U.S. parent loan repayments, negative pledge and undertakings with respect to related entities. As of September 30, 2008, total borrowings in the amount of $20.9 million were outstanding under these arrangements.

Another important source of liquidity is our $90.0 million accounts receivable securitization facility, under which we have the ability to sell eligible accounts receivable to a third-party multi-seller receivables funding company. At September 30, 2008, we had $11.0 million utilized under our accounts receivable facility and $48.8 million of available funding based on eligible receivables and after consideration of leverage restrictions. At September 30, 2008, we also had $2.9 million outstanding under our revolving credit facility and had an additional $113.1 million potentially available after giving effect to approximately $34.0 million of letters of credit issued to support our ordinary course needs and after consideration of leverage restrictions. At September 30, 2008, we had aggregate available funding under our accounts receivable facility and our revolving credit facility of $141.6 million after consideration of the aforementioned leverage restrictions. The letters of credit are used for a variety of purposes, including to support certain operating lease agreements, vendor payment terms and other subsidiary operating activities, and to meet various states' requirements to self-insure workers' compensation claims, including incurred but not reported claims.

We also have $337.8 million (face value) $9^{7}/8$% senior subordinated notes outstanding at September 30, 2008, which are due in 2012, following our $100.0 million retirement effective in the second quarter of 2007. We may choose to repurchase our senior subordinated notes in the open market or in privately negotiated transactions opportunistically on terms we believe to be favorable. These transactions may be effected for cash (from cash and cash equivalents, borrowings under our credit facility, or proceeds from sale of debt or equity securities), in exchange for common stock, or a combination of both. We will evaluate any such transaction in light of then prevailing market conditions and our then current and prospective liquidity and capital resources, including projected and potential needs and prospects for access to capital markets. Any such transactions may, individually or in aggregate, be material.

Principal payments required under our amended and restated credit facility term loan are: $0.7 million due each calendar quarter through June 30, 2013, and $242.5 million due on August 2, 2013 (or February 28, 2012 if the Company's existing senior subordinated notes are still outstanding as of that date).

Our credit facility is guaranteed on a senior secured basis by us and all of our domestic subsidiaries, other than our special purpose receivables subsidiary, on a joint and several basis. In addition, our obligations and the guarantees thereof are secured by substantially all the assets of us and the guarantors.

Our exposure to interest rate risk results from the variable rates under our credit facility. Borrowings under the credit facility bear interest, at various rates, as more fully described in Note 10,

"Long-term Debt," to the accompanying consolidated financial statements as of September 30, 2007. Based on amounts outstanding at September 30, 2008, a 1% increase or decrease in the per annum interest rate for borrowings under our revolving credit facilities would change our interest expense by approximately $2.8 million annually.

We have other cash commitments related to leases. We account for these lease transactions as operating leases and annual rent expense related thereto approximates $15.4 million. We expect to continue to utilize leasing as a financing strategy in the future to meet capital expenditure needs and to reduce debt levels.

Market Risk

We conduct business in several locations throughout the world and are subject to market risk due to changes in the value of foreign currencies. We do not currently use derivative financial instruments to manage these risks. The functional currencies of our foreign subsidiaries are the local currency in the country of domicile. We manage these operating activities at the local level and revenues and costs are generally denominated in local currencies; however, results of operations and assets and liabilities reported in U.S. dollars will fluctuate with changes in exchange rates between such local currencies and the U.S. dollar.

As a result of our credit facility and senior subordinated notes, we are highly leveraged. In addition to normal capital expenditures, we may incur significant amounts of additional debt and further burden cash flow in pursuit of our internal growth and acquisition strategies.

We believe that our liquidity and capital resources, including anticipated cash flows from operations, will be sufficient to meet our debt service, capital expenditure and other short-term and long-term obligation needs for the foreseeable future, but we are subject to unforeseeable events and risks.

Credit Rating

We and certain of our outstanding debt obligations are rated by Standard & Poor's and Moody's. On May 23, 2007, following our initial public offering, Standard & Poor's upgraded our credit facilities, corporate credit and senior subordinated notes ratings to BB-, B+ and B-, respectively, from B+, B and CCC+, respectively, each with a stable outlook. These ratings remain in place as of September 30, 2008. As of June 30, 2006, Moody's assigned our credit facilities, corporate credit and senior subordinated notes ratings of Ba2, B2 and B3 respectively, each with a stable outlook. If our credit ratings were to decline, our ability to access certain financial markets may become limited, the perception of us in the view of our customers, suppliers and security holders may worsen and as a result, we may be adversely affected. In connection with the consummation of our initial public offering in May 2007 and the use of proceeds therefrom, the applicable margin on all loans under our amended and restated credit agreement were reduced by 0.5% per annum based on the ratings assigned to our credit facilities by Standard & Poor's being and remaining at B+ (stable) or better and the ratings assigned to our credit facilities by Moody's being and remaining at B1 (stable) or better.

Off-Balance Sheet Arrangements

We are party to an agreement to sell, on an ongoing basis, the trade accounts receivable of certain business operations to a wholly-owned, bankruptcy-remote, special purpose subsidiary, TSPC, Inc. ("TSPC"). TSPC, subject to certain conditions, may from time to time sell an undivided fractional ownership interest in the pool of domestic receivables, up to approximately $90.0 million, to a third party multi-seller receivables funding company, or conduit. The proceeds of the sale are less than the face amount of accounts receivable sold by an amount that approximates the purchaser's financing costs. Upon sale of receivables, our subsidiaries that originated the receivables retain a subordinated

interest. Under the terms of the agreement, new receivables can be added to the pool as collections reduce receivables previously sold. The facility is an important source of liquidity. At September 30, 2008, we had $11.0 million utilized and $48.8 million available under this facility based on eligible receivables and after consideration of leverage restrictions.

The facility is subject to customary termination events, including, but not limited to, breach of representations or warranties, the existence of any event that materially adversely affects the collectability of receivables or performance by a seller and certain events of bankruptcy or insolvency. The facility expires on February 20, 2009. We plan to renew the facility upon expiration. However, in future periods, if we are unable to renew or replace this facility, it could materially and adversely affect our available liquidity capacity.

New Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141(R), "Business Combinations," which revises the current accounting practices for business combinations. Significant changes as a result of issuance of SFAS No. 141(R) include a revised definition of a business, expensing of acquisition-related transaction costs, and a change in how acquirers measure consideration, identifiable assets, liabilities assumed and goodwill acquired in a business combination. SFAS No. 141(R) is effective for business combinations occurring in fiscal years beginning after December 15, 2008, and may not be retroactively applied. There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), and expands disclosures about fair value measurements. For financial assets and liabilities, this statement is effective for fiscal periods beginning after November 15, 2007 and does not require new fair value measurements. In February 2008, the FASB released Staff Position No. 157-2, which delayed the effective date of SFAS No. 157 to fiscal years ending after November 15, 2008 for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the Company's financial statements on a recurring basis (at least annually), which was effective for the Company effective January 1, 2008. The adoption of SFAS No. 157 did not have a material effect on the consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115," which permits entities to choose to measure certain financial instruments and other items at fair value. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, including interim periods within that fiscal year. The Company did not elect the fair value option for any of its existing financial instruments as of September 30, 2008 and the Company has made no determination whether or not it will elect this option for financial instruments it may acquire in the future.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements," which establishes requirements for identification, presentation and disclosure of noncontrolling interests, and requires accounting for such non-controlling interests as a separate component of shareholder's equity. SFAS No. 160 is effective prospectively for fiscal years beginning after December 15, 2008. However, the presentation and disclosure requirements are required to be retrospectively applied to comparative financial statements. There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133." SFAS No. 161 amends and expands the disclosure requirements of SFAS No. 133 to provide users of financial statements with an enhanced understanding of derivative instruments, how they are accounted for and their impact on a company's

financial position and performance. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company is currently assessing the impact of the adoption of SFAS No. 161 on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles," which is intended to improve financial reporting by identifying a consistent hierarchy for selecting accounting principles to be used in preparing financial statements that are prepared in conformance with generally accepted accounting principles. The statement is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with GAAP." There is no impact on the Company's current consolidated financial statements as a result of this pronouncement.

Critical Accounting Policies

The following discussion of accounting policies is intended to supplement the accounting policies presented in Note 3 to our 2007 audited financial statements included in our annual report filed on Form 10-K. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, our evaluation of business and macroeconomic trends, and information from other outside sources, as appropriate.

Accounting Basis for Transactions. Prior to June 6, 2002, we were owned by Metaldyne. On November 28, 2000, Metaldyne was acquired by an investor group led by Heartland. On June 6, 2002, Metaldyne issued approximately 66% of our fully diluted common stock to an investor group led by Heartland. As a result of the transactions, we did not establish a new basis of accounting as Heartland was the controlling shareholder for both us and Metaldyne at the time and the transactions were accounted for as a reorganization of entities under common control.

Receivables. Receivables are presented net of allowances for doubtful accounts of approximately $4.3 million at September 30, 2008. We monitor our exposure for credit losses and maintain adequate allowances for doubtful accounts. We determine these allowances based on historical write-off experience and/or specific customer circumstances and provide such allowances when amounts are reasonably estimable and it is probable a loss has been incurred. We do not have concentrations of accounts receivable with a single customer or group of customers and do not believe that significant credit risk exists due to our diverse customer base. Trade accounts receivable of substantially all domestic business operations may be sold, on an ongoing basis, to TSPC.

Depreciation and Amortization. Depreciation is computed principally using the straight-line method over the estimated useful lives of the assets. Annual depreciation rates are as follows: buildings and buildings/land improvements, 10 to 40 years, and machinery and equipment, 3 to 15 years. Capitalized debt issuance costs are amortized over the underlying terms of the related debt securities. Customer relationship intangibles are amortized over periods ranging from 6 to 25 years, while technology and other intangibles are amortized over periods ranging from 1 to 30 years. See further discussion under "Goodwill and Other Intangibles" below.

Impairment of Long-Lived Assets. In accordance with Statement of Financial Accounting Standards No. 144, (SFAS No. 144), "*Accounting for the Impairment or Disposal of Long-Lived Assets,*" the Company reviews, on a quarterly basis, the financial performance of each business unit for indicators of impairment. An impairment loss is recognized when the carrying value of an asset group exceeds the future net undiscounted cash flows expected to be generated by that asset group. The impairment loss recognized is the amount by which the carrying value of the asset group exceeds its fair value.

Goodwill and Other Intangibles. We test goodwill and indefinite-lived intangible assets for impairment on an annual basis as required by Statement of Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142), by comparing the estimated fair value of each of our reporting units to their respective carrying values on our balance sheet. More frequent evaluations could become required under SFAS No. 142 if we experience changes in our business conditions. In assessing the recoverability of goodwill and indefinite-lived intangible assets, we estimate the fair value of each of our reporting units by calculating the present value of their expected future cash flows and other valuation measures. We then compare the estimates of fair value with the reporting unit's net asset carrying value on our balance sheet. If carrying value exceeds fair value, then a possible impairment of goodwill exists and further evaluation is performed.

The Company's accounting policy was to conduct the annual impairment test as of December 31st, with the most recent annual impairment test completed as of December 31, 2007. Effective in the second quarter of 2008, the Company changed its accounting policy to conduct the annual impairment test as of October 1st, with the testing to be conducted during the fourth quarter of each year. This change is preferable as it provides the Company additional time to complete the required testing and evaluate the results prior to the yearend closing and reporting activities and better enables the Company to comply with required reporting dates as an accelerated filer. The change in impairment test dates had no impact on the Company's financial results or financial position for any period presented.

Goodwill is evaluated for impairment annually using management's operating budget and internal five-year forecast to estimate expected future cash flows. Discounting future cash flows requires us to make significant estimates regarding future revenues and expenses, projected capital expenditures, changes in working capital and the appropriate discount rate. The projections also take into account several factors including current and estimated economic trends and outlook, costs of raw materials, consideration of our market capitalization in comparison to the estimated fair values of our reporting units determined using discounted cash flow analyses and other factors which are beyond our control. At December 31, 2007, fair values of our reporting units were determined based upon the expected future cash flows discounted at weighted average costs of capital ranging from 11%—17% and estimated residual growth rates ranging from 1% to 4%.

Future declines in sales and/or operating profit, declines in the Company's stock price, or other changes in our business or the markets for our products could result in further reductions in remaining useful lives for customer relationship intangibles or in impairments of goodwill and other intangible assets.

Pension and Postretirement Benefits Other than Pensions. We account for pension benefits and postretirement benefits other than pensions in accordance with the requirements of FASB Statement of Financial Accounting Standards No. 87 (SFAS No. 87), "*Employer's Accounting for Pensions*," No. 88 (SFAS No. 88), "*Employer's Accounting for Settlements and Curtailments of Defined Benefit Plans and for Terminated Benefits*," No. 106 (SFAS No. 106), "*Employer's Accounting for Postretirement Benefits Other Than Pension*," No. 132 (SFAS No. 132), "*Employer's Disclosures about Pensions and Other Postretirement Benefits—an amendment of FASB Statements Nos. 87, 88, and 106*" and No. 158, "*Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans—An Amendment of FASB Statements No. 87, 88, 106 and 132(R)*." Annual net periodic expense and accrued benefit obligations recorded with respect to our defined benefit plans are determined on an actuarial basis. We, together with our third-party actuaries, determine assumptions used in the actuarial calculations which impact reported plan obligations and expense. Annually, we and our actuaries review the actual experience compared to the most significant assumptions used and make adjustments to the assumptions, if warranted. The healthcare trend rates are reviewed with the actuaries based upon the results of their review of claims experience. Discount rates are based upon an expected benefit payments duration analysis and the equivalent average yield rate for high-quality fixed-income

investments. Pension benefits are funded through deposits with trustees and the expected long-term rate of return on fund assets is based upon actual historical returns modified for known changes in the market and any expected change in investment policy. Postretirement benefits are not funded and our policy is to pay these benefits as they become due. Certain accounting guidance, including the guidance applicable to pensions, does not require immediate recognition in the income statement of the effects of a deviation between actual and assumed experience or the revision of an estimate. This approach allows the favorable and unfavorable effects that fall within an acceptable range to be netted.

Income Taxes. Income taxes are accounted for using the provisions of FASB Statement of Financial Accounting Standards No. 109, (SFAS No. 109), "*Accounting for Income Taxes,*" and FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes*." Deferred income taxes are provided at currently enacted income tax rates for the difference between the financial statement and income tax basis of assets and liabilities and carry-forward items. The effective tax rate and the tax bases of assets and liabilities reflect management's estimates based on then-current facts. On an ongoing basis, we review the need for and adequacy of valuation allowances if it is more likely than not that the benefit from a deferred tax asset will not be realized. We believe the current assumptions and other considerations used to estimate the current year effective tax rate and deferred tax positions are appropriate. However, actual outcomes may differ from our current estimates and assumptions.

Other Loss Reserves. We have other loss exposures related to environmental claims, asbestos claims and litigation. Establishing loss reserves for these matters requires the use of estimates and judgment in regard to risk exposure and ultimate liability. We are generally self-insured for losses and liabilities related principally to workers' compensation, health and welfare claims and comprehensive general, product and vehicle liability. Generally, we are responsible for up to $0.5 million per occurrence under our retention program for workers' compensation, between $0.3 million and $2.0 million per occurrence under our retention programs for comprehensive general, product and vehicle liability, and have a $0.3 million per occurrence stop-loss limit with respect to our self-insured group medical plan. We accrue loss reserves up to our retention amounts based upon our estimates of the ultimate liability for claims incurred, including an estimate of related litigation defense costs, and an estimate of claims incurred but not reported using actuarial assumptions about future events. We accrue for such items in accordance with FASB Statement of Financial Accounting Standards No. 5, (SFAS No. 5), "*Accounting for Contingencies*" when such amounts are reasonably estimable and probable. We utilize known facts and historical trends, as well as actuarial valuations in determining estimated required reserves. Changes in assumptions for factors such as medical costs and actual experience could cause these estimates to change significantly.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In the normal course of business, we are exposed to market risk associated with fluctuations in foreign currency exchange rates. We are also subject to interest risk as it relates to long-term debt. See Item 2, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for details about our primary market risks, and the objectives and strategies used to manage these risks. Also see Note 10, "*Long-term Debt,*" in the notes to the consolidated financial statements for additional information.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that the Company files or submits under the Securities and Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief

Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Evaluation of disclosure controls and procedures

As of September 30, 2008, an evaluation was carried out by management, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934, (the "Exchange Act")) pursuant to Rule 13a-15 of the Exchange Act. Our disclosure controls and procedures are designed only to provide reasonable assurance that they will meet their objectives. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2008, the Company's disclosure controls and procedures are effective to provide reasonable assurance that they would meet their objectives.

Changes in disclosure controls and procedures

There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION
TRIMAS CORPORATION

Item 1. Legal Proceedings

A civil suit was filed in the United States District Court for the Central District of California in December 1988 by the United States of America and the State of California against more than 180 defendants, including us, for alleged release into the environment of hazardous substances disposed of at the Operating Industries, Inc. site in California. This site served for many years as a depository for municipal and industrial waste. The plaintiffs have requested, among other things, that the defendants clean up the contamination at that site. Consent decrees have been entered into by the plaintiffs and a group of the defendants, including us, providing that the consenting parties perform certain remedial work at the site and reimburse the plaintiffs for certain past costs incurred by the plaintiffs at the site. We estimate that our share of the clean-up costs will not exceed $500,000, for which we have insurance proceeds. Plaintiffs had sought other relief such as damages arising out of claims for negligence, trespass, public and private nuisance, and other causes of action, but the consent decree governs the remedy. Based upon our present knowledge and subject to future legal and factual developments, we do not believe that this matter will have a material adverse effect on our financial position, results of operations or cash flows.

As of September 30, 2008, we were a party to approximately 721 pending cases involving an aggregate of approximately 7,497 claimants alleging personal injury from exposure to asbestos containing materials formerly used in gaskets (both encapsulated and otherwise) manufactured or distributed by certain of our subsidiaries for use primarily in the petrochemical refining and exploration industries. The following chart summarizes the number of claimants, number of claims filed, number of claims dismissed, number of claims settled, the average settlement amount per claim and the total defense costs, exclusive of amounts reimbursed under our primary insurance, at the applicable date and for the applicable periods:

	Claims pending at beginning of period	Claims filed during period	Claims dismissed during period	Claims settled during period	Average settlement amount per claim during period	Total defense costs during period
Fiscal year ended December 31, 2007	10,551	619	1,484	142	$ 9,243	$ 4,982,000
Nine months ended September 30, 2008	9,544	603	2,591	59	$ 2,172	$ 2,899,000

In addition, we acquired various companies to distribute our products that had distributed gaskets of other manufacturers prior to acquisition. We believe that many of our pending cases relate to locations at which none of our gaskets were distributed or used.

We may be subjected to significant additional asbestos-related claims in the future, the cost of settling cases in which product identification can be made may increase, and we may be subjected to further claims in respect of the former activities of our acquired gasket distributors. We note that we are unable to make a meaningful statement concerning the monetary claims made in the asbestos cases given that, among other things, claims may be initially made in some jurisdictions without specifying the amount sought or by simply stating the requisite or maximum permissible monetary relief, and may be amended to alter the amount sought. The large majority of claims do not specify the amount sought. Of the 7,497 claims pending at September 30, 2008, 192 set forth specific amounts of damages (other than those stating the statutory minimum or maximum). 154 of the 192 claims sought between $1.0 million and $5.0 million in total damages (which includes compensatory and punitive damages), 36 sought between $5.0 million and $10.0 million in total damages (which includes compensatory and punitive damages) and 2 sought over $10.0 million (which includes compensatory and punitive damages) . Solely with respect to compensatory damages, 159 of the 192 claims sought between $50,000 and $600,000, 31 sought between $1.0 million and $5.0 million and 2 sought over $5.0 million. Solely

with respect to punitive damages, 155 of the 192 claims sought between $0 and $2.5 million, 36 sought between $2.5 and $5.0 million and 1 sought over $5.0 million. In addition, relatively few of the claims have reached the discovery stage and even fewer claims have gone past the discovery stage.

Total settlement costs (exclusive of defense costs) for all such cases, some of which were filed over 20 years ago, have been approximately $5.2 million. All relief sought in the asbestos cases is monetary in nature. To date, approximately 50% of our costs related to settlement and defense of asbestos litigation have been covered by our primary insurance. Effective February 14, 2006, we entered into a coverage-in-place agreement with our first level excess carriers regarding the coverage to be provided to us for asbestos-related claims when the primary insurance is exhausted. The coverage-in-place agreement makes coverage available to us that might otherwise be disputed by the carriers and provides a methodology for the administration of asbestos litigation defense and indemnity payments. The coverage in place agreement allocates payment responsibility among the primary carrier, excess carriers and the Company's subsidiary.

Based on the settlements made to date and the number of claims dismissed or withdrawn for lack of product identification, we believe that the relief sought (when specified) does not bear a reasonable relationship to our potential liability. Based upon our experience to date and other available information (including the availability of excess insurance), we do not believe that these cases will have a material adverse effect on our financial position and results of operations or cash flows.

We are subject to other claims and litigation in the ordinary course of our business, but do not believe that any such claim or litigation will have a material adverse effect on our financial position and results of operations or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part 1, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2007, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deemed to be immaterial also may materially adversely affect our business, financial position and results of operations or cash flows.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None of our securities, which are not registered under the Securities Act, have been issued or sold by us during the period covered by this report.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits.

Exhibits Index:

3.1(n)	Fourth Amended and Restated Certificate of Incorporation of TriMas Corporation.
3.2(n)	Second Amended and Restated By-laws of TriMas Corporation.
4.1(a)	Indenture relating to the $9^{7}/8$% senior subordinated notes, dated as of June 6, 2002, by and among TriMas Corporation, each of the Guarantors named therein and The Bank of New York as trustee.
4.2(a)	Form of note (included as Exhibit 4.1(a) above).
4.3(a)	Registration Rights Agreement relating to the $9^{7}/8$% senior subordinated notes issued June 6, 2002 dated as of June 6, 2002 by and among TriMas Corporation and the parties named therein.
4.4(b)	Registration Rights Agreement relating to the $9^{7}/8$% senior subordinated notes issued December 10, 2002 dated as of December 10, 2002 by and among TriMas Corporation and the parties named therein.
4.5(e)	Supplemental Indenture dated as of March 4, 2003.
4.6(f)	Supplemental Indenture No. 2 dated as of May 9, 2003.
4.7(g)	Supplemental Indenture No. 3 dated as of August 6, 2003.
4.8(r)	Supplemental Indenture No. 4 dated as of February 28, 2008.
10.1(a)	Stock Purchase Agreement dated as of May 17, 2002 by and among Heartland Industrial Partners, L.P., TriMas Corporation and Metaldyne Company LLC.
10.2(a)	Amended and Restated Shareholders Agreement, dated as of July 19, 2002 by and among TriMas Corporation and Metaldyne Corporation.
10.3(l)	Amendment No. 1 to Amended and Restated Shareholders Agreement dated as of August 31, 2006.
10.4(k)	Credit Agreement dated as of June 6, 2002, as amended and restated as of August 2, 2006 among TriMas Corporation, TriMas Company LLC, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, and Comerica Bank, as Syndication Agent.
10.5(a)	Receivables Purchase Agreement, dated as of June 6, 2002, by and among TriMas Corporation, the Sellers party thereto and TSPC, Inc., as Purchaser.
10.6(a)	Receivables Transfer Agreement, dated as of June 6, 2002, by and among TSPC, Inc., as Transferor, TriMas Corporation, individually, as Collection Agent, TriMas Company LLC, individually as Guarantor, the CP Conduit Purchasers, Committed Purchasers and Funding Agents party thereto, and JPMorgan Chase Bank as Administrative Agent.
10.7(m)	Amendment dated as of June 3, 2005, to Receivables Transfer Agreement.
10.8(j)	Amendment dated as of July 5, 2005, to Receivables Transfer Agreement.
10.9(p)	Amendment dated as of December 31, 2007, to Receivables Transfer Agreement.
10.10(q)	Amendment dated as of February 22, 2008, to Receivables Transfer Agreement.
10.11(j)	TriMas Receivables Facility Amended and Restated Fee Letter dated July 1, 2005.
10.12(r)	TriMas Receivables Facility Amended and Restated Fee Letter dated February 22, 2008.
10.13(a)	Lease Assignment and Assumption Agreement, dated as of June 21, 2002, by and among Heartland Industrial Group, L.L.C., TriMas Company LLC and the Guarantors named therein.
10.14(a)	TriMas Corporation 2002 Long Term Equity Incentive Plan.
10.15	First Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan.
10.16	Second Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan.
10.17	Third Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan.
10.18	Fourth Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan.

10.19(c)	Stock Purchase Agreement by and among 2000 Riverside Capital Appreciation Fund, L.P., the other Stockholders of HammerBlow Acquisition Corp. listed on Exhibit A thereto and TriMas Company LLC dated as of January 27, 2003.
10.20(d)	Stock Purchase Agreement by and Among TriMas Company LLC and The Shareholders and Option Holders of Highland Group Corporation and FNL Management Corp. dated February 21, 2003.
10.21(f)	Asset Purchase Agreement among TriMas Corporation, Metaldyne Corporation and Metaldyne Company LLC dated May 9, 2003.
10.22(f)	Form of Sublease Agreement (included as Exhibit A in Exhibit 10.21(f) above).
10.23(h)	Form of Stock Option Agreement.
10.24(u)	Annual Value Creation Program.
10.25	409A Amendment to TriMas Corporation Annual Value Creation Plan effective September 10, 2008.
10.26(i)	Form of Indemnification Agreement.
10.27(l)	Amendment No. 1 to Stock Purchase Agreement, dated as of August 31, 2006 by and among Heartland Industrial Partners, L.P., TriMas Corporation and Metaldyne Corporation.
10.28(u)	Amendment No. 2 to Stock Purchase Agreement, dated as of November 27, 2006 by and among Heartland Industrial Partners, L.P., TriMas Corporation and Metaldyne Corporation.
10.29(l)	Advisory Agreement, dated June 6, 2002 between Heartland Industrial Partners, L.P. and TriMas Corporation.
10.30(m)	First Amendment to Advisory Agreement, dated as of November 1, 2006 between Heartland Industrial Group, L.L.C. and TriMas Corporation.
10.31(m)	Second Amendment to Advisory Agreement, dated as of November 1, 2006 between Heartland Industrial Group, L.L.C. and TriMas Corporation.
10.32(m)	Management Rights Agreement.
10.33	Executive Severance/Change of Control Policy.
10.34(o)	TriMas Corporation 2006 Long Term Equity Incentive Plan.
10.35(o)	First Amendment to the TriMas Corporation 2006 Long Term Equity Incentive Plan.
10.36(o)	Second Amendment to the TriMas Corporation 2006 Long Term Equity Incentive Plan.
10.37	Third Amendment to the TriMas Corporation 2006 Long Term Equity Incentive Plan.
10.38	Fourth Amendment to the TriMas Corporation 2006 Long Term Equity Incentive Plan
10.39(s)	Separation Agreement dated April 10, 2008.
10.40(t)	Letter Agreement dated April 28, 2008.
10.41(u)	Letter Agreement dated July 1, 2008.
10.42	ISDA 2002 Master Agreement between JPMorgan Chase Bank, National Association and TriMas Corporation dated as of April 29, 2008.
10.43	Interest Rate Swap Transaction letter Agreement between JPMorgan Chase Bank, N.A. and TriMas Company, LLC effective as of April 29, 2008.
31.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(a) Incorporated by reference to the Exhibits filed with our Registration Statement on Form S-4, filed on October 4, 2002 (File No. 333-100351).

(b) Incorporated by reference to the Exhibits filed with Amendment No. 2 to our Registration Statement on Form S-4, filed on January 28, 2003 (File No. 333-100351).

(c) Incorporated by reference to the Exhibits filed with Amendment No. 3 to our Registration Statement or Form S-4, filed on January 29, 2003 (File No. 333-100351).

(d) Incorporated by reference to the Exhibits filed with our Form 8-K filed on February 25, 2003 (File No. 333-100351).

(e) Incorporated by reference to the Exhibits filed with our Annual Report on Form 10-K filed March 31, 2003 (File No. 333-100351).

(f) Incorporated by reference to the Exhibits filed with our Registration Statement on Form S-4, filed June 9, 2003 (File No. 333-105950).

(g) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q filed on August 14, 2003 (File No. 333-100351).

(h) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q filed on November 12, 2003 (File No. 333-100351).

(i) Incorporated by reference to the Exhibits filed with Amendment No. 3 to our Registration Statement on Form S-1/A, filed on June 29, 2004 (File No. 333-113917).

(j) Incorporated by reference to the Exhibits filed with our Form 8-K filed on July 6, 2005 (File No. 333-100351).

(k) Incorporated by reference to the Exhibits filed with our Form 8-K filed on August 3, 2006 (File No. 333-100351).

(l) Incorporated by reference to the Exhibits filed with Amendment No. 1 to our Registration Statement on Form S-1, filed on September 19, 2006 (File No. 333-136263).

(m) Incorporated by reference to the Exhibits filed with Amendment No. 3 to our Registration Statement on Form S-1, filed on January 18, 2007 (File No. 333-136263).

(n) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q Quarterly Report, filed on August 3, 2007 (File No. 333-100351).

(o) Incorporated by reference to the Exhibits filed with the Registration Statement on Form S-8, filed on August 31, 2007 (File No. 333-145815).

(p) Incorporated by reference to the Exhibits filed with our Form 8-K filed on January 4, 2008 (File No. 001-10716).

(q) Incorporated by reference to the Exhibits filed with our Form 8-K filed on February 26, 2008 (File No. 001-10716).

(r) Incorporated by reference to the Exhibits filed with our Annual Report on Form 10-K filed on March 13, 2008 (File No. 001-10716).

(s) Incorporated by reference to the Exhibits filed with our Form 8-K filed on April 10, 2008 (File No. 001-10716).

(t) Incorporated by reference to the Exhibits filed with our Form 8-K filed on June 2, 2008 (File No. 001-10716).

(u) Incorporated by reference to the Exhibits filed with our Quarterly Report on Form 10-Q filed on August 7, 2008 (File No. 001-10716).

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TriMas Corporation (Registrant)

Date: November 10, 2008 By: /s/ A. MARK ZEFFIRO

A. Mark Zeffiro
Chief Financial Officer

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Signature

Exhibit 10.15

FIRST AMENDMENT TO THE TRIMAS CORPORATION 2002 LONG TERM EQUITY INCENTIVE PLAN

Pursuant to Section 7(d) of the TriMas Corporation 2002 Long Term Equity Incentive Plan (the "2002 Equity Plan") and resolutions adopted by the Board of Directors of TriMas Corporation (the "Corporation") on March 1, 2007 and Stockholders of the Corporation on March 6, 2007, the 2002 Equity Plan is hereby amended as set forth below.

Effective as of the last business day immediately preceding the effective date of the Corporation's Registration Statement under the Securities Act of 1933, as amended, Section 4(a) of the Plan is amended and restated in its entirety to read as follows:

4. Shares Subject to the Plan.

(a) Subject to adjustment as provided in Section 4(b) hereof, the total number of Shares reserved for issuance in connection with Awards under the Plan shall be 2,222,000. No Award may be granted if the number of Shares to which such Award relates, when added to the number of Shares previously issued under the Plan, exceeds the number of Shares reserved under the preceding sentence. If any Awards are forfeited, canceled, terminated, exchanged or surrendered or any such Award is settled in cash or otherwise terminates without a distribution of Shares to the Participant, any Shares counted against the number of Shares reserved and available under the Plan with respect to such Award shall, to the extent of any such forfeiture, settlement, termination, cancellation, exchange or surrender, again be available for Awards under the Plan. Notwithstanding the foregoing, as of the last business day immediately preceding the effective date of the Company's Registration Statement under the Securities Act of 1933, as amended, the 2,222,000 Shares that have been reserved for issuance under the Plan shall be reduced by the number of Shares that have been forfeited or otherwise are available for new Awards as of such date under the Plan, in an amount not to exceed 200,000 Shares, and such Shares shall be transferred and made available for new grants under the Corporation's 2006 Long Term Equity Incentive Plan.

This First Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan is hereby adopted on the 1st day of March, 2007.

TRIMAS CORPORATION

By: /s/ Joshua A. Sherbin
Joshua A. Sherbin
Its: Secretary and General Counsel

Exhibit 10.16

SECOND AMENDMENT TO THE
TRIMAS CORPORATION
2002 LONG TERM EQUITY INCENTIVE PLAN

Pursuant to Section 7(d) of the TriMas Corporation 2002 Long Term Equity Incentive Plan (the "2002 Equity Plan") and resolutions adopted by the Board of Directors of TriMas Corporation (the "Corporation") on May 3, 2007, the 2002 Equity Plan is hereby amended as set forth below.

Effective as of the last business day immediately preceding the effective date of the Corporation's Registration Statement under the Securities Act of 1933, as amended, Section 2(m) of the Plan is amended and restated in its entirety to read as follows:

2. Definitions.

(m) "Fair Market Value" unless defined otherwise in the Plan, means, as of any determination date, the value of a share of Common Stock, calculated as follows:

(i) If the Common Stock is listed on any established Stock Exchange or a national market system, without limitation, the New York Stock Exchange, the Nasdaq National Market or the Nasdaq Small Cap Market, the Fair Market Value shall be the closing sales price for a share of such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the date of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable.

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for a share of the Common Stock for the date of determination.

(iii) In the absence of an established market for the Common Stock, the Fair Market Value for the determination date shall be calculated in good faith by the Committee.

This Second Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan is hereby adopted on the 3rd day of May, 2007.

TRIMAS CORPORATION

By: /s/ Joshua A. Sherbin
Joshua A. Sherbin
Its: Secretary and General Counsel

Exhibit 10.17

**THIRD AMENDMENT TO THE
TRIMAS CORPORATION
2002 LONG TERM EQUITY INCENTIVE PLAN**

Pursuant to Section 7(d) of the TriMas Corporation 2002 Long Term Equity Incentive Plan (the "2002 Equity Plan") and resolutions adopted by the Board of Directors of TriMas Corporation (the "Corporation") on February 28, 2008, the 2002 Equity Plan is hereby amended as set forth below, subject to the Stockholder approval requirement also described below.

Effective May 2, 2008, upon receipt of Stockholder approval to increase the number of shares reserved for issuance under the Corporation's 2006 Long Term Equity Incentive Plan by 235,877, a corresponding number of forfeited, unallocated shares shall be cancelled under the 2002 Equity Plan, and Section 4(a) of the 2002 Equity Plan shall be amended and restated to read as follows:

4. Shares Subject to Plan.

(a) Subject to adjustment as provided in Section 4(b) hereof, effective May 2, 2008, the total number of shares reserved for issuance in connection with Awards under the Plan shall be reduced to 1,786,123. No Award may be granted if the number of Shares to which such Award relates, when added to the number of Shares previously issued under the Plan, exceeds the number of Shares reserved under the preceding sentence. If any Awards are forfeited, canceled, terminated, exchanged or surrendered, or any such Award is settled in cash or otherwise terminates without a distribution of Shares to the Participant, any Shares counted against the number of Shares reserved and available under the Plan with respect to such Award shall, to the extent of any such forfeiture, settlement, termination, cancellation, exchange or surrender, again be available for Awards under the Plan.

This Third Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan is hereby adopted on the 2nd day of May, 2008.

TRIMAS CORPORATION

By: /s/ Joshua A. Sherbin
Joshua A. Sherbin
Its: Vice President, Secretary and General Counsel

FOURTH AMENDMENT TO THE
TRIMAS CORPORATION
2002 LONG TERM EQUITY INCENTIVE PLAN

Pursuant to Section 7(d) of the TriMas Corporation 2002 Long Term Equity Incentive Plan (the "2002 Equity Plan") and resolutions adopted by the Compensation Committee of TriMas Corporation (the "Corporation") on September 10, 2008, effective September 10, 2008, the 2002 Equity Plan is hereby amended for Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), as set forth below.

1. The introductory paragraph and subsections (i) and (iv) of Section 5(b) "Options" are amended and restated to read as follows:

(b) Options. The Committee is authorized to grant Options, which may be NQSOs or ISOs to Eligible Persons on the following terms and conditions:

(i) Exercise Price. The exercise price per Share purchasable under an Option shall be determined by the Committee, and the Committee may, without limitation, set an exercise price that is based upon achievement of performance criteria if deemed appropriate by the Committee; provided that no Option shall be granted with an exercise price below Fair Market Value on the grant date.

(iv) [Reserved.]

2. Subsections (i) and (ii) of Section 5(c) "SARS" are amended and restated to read as follows:

(i) Right to Payment. An SAR shall confer on the Eligible Person to whom it is granted a right to receive with respect to each Share subject thereto, upon exercise thereof, the excess of (1) the Fair Market Value of one Share on the date of exercise over (2) the exercise price (Fair Market Value) of the SAR as determined by the Committee as of the date of grant of the SAR (which in the case of an SAR granted in tandem with an Option, shall be equal to the exercise price of the underlying Option).

(ii) Other Terms. The Committee shall determine, at the time of grant, the time or times at which an SAR may be exercised in whole or in part, the method of exercise, method of settlement, form of consideration payable in settlement, method by which Shares will be delivered or deemed to be delivered to Eligible Persons, whether or not an SAR shall be in tandem with any other Award, and any other terms and conditions of any SAR. Unless the Committee determines otherwise, an SAR granted in tandem with an Option only may be granted at the time of grant of the related Option.

3. Subsection (v) of Section 5(d) "Restricted Shares" shall be amended and restated to read as follows:

(v) [Reserved.]

---

4. The first sentence in Subsection (i) of Section 5(e) "Restricted Share Units" shall be amended and restated to read as follows:

(i) Award and Restrictions. Delivery of Shares or cash, as the case may be, will occur upon expiration of the deferral period specified for Restricted Share Units by the Committee.

5. Section 7(c) "Taxes" shall be amended by the addition of the following sentence at the end of the paragraph to read as follows:

Payments under the Plan are intended to be exempt from or in compliance with Code Section 409A, but in no event shall the Company, an Affiliate or Subsidiary, be responsible for any tax or penalty owed by a Participant or Beneficiary with regard to any Plan benefit.

6. Section 7(d) "Changes to Plan and Awards" shall be amended by the addition of the following sentence at the end of the paragraph to read as follows:

Notwithstanding the foregoing, the Company reserves the right to unilaterally amend the Plan to the extent necessary to exempt the benefits from or conform the benefits with the requirements of Code Section 409A.

7. A new Subsection (m), entitled "Code Section 409A" shall be added to Section 7 of the Plan to read as follows:

(m) Code Section 409A. Between January 1, 2005 and the effective date of this Amendment, the Plan was administered in good faith compliance under Code Section 409A, taking into account the statutory language, legislative history and interim guidance issued by the Internal Revenue Service relating to Code Section 409A. The Plan is intended to be construed in a manner that will provide benefits that are exempt from or in compliance with Code Section 409A. All provisions of the Plan shall be interpreted in accordance with such intention.

A new Subsection (n), entitled "Delayed Distributions to Specified Employees" shall be added to Section 7 to read as follows:

(n) Delayed Distributions to Specified Employees. Notwithstanding anything in the Plan to the contrary, all or part of a payment to a Participant who is determined to constitute a "specified employee" under Code Section 409A at the time of the Participant's separation from service (as defined under Code Section 409A), shall be delayed (if then required under Code Section 409A) until the first day of the seventh month following the Participant's separation from service or date of death, if earlier, unless the applicable payment date commences on or after the first day of the seventh month following the Participant's separation from service. Payments that are delayed shall be aggregated and paid in a lump sum on the first day of the seventh month following a Participant's separation from service.

This Fourth Amendment to the TriMas Corporation 2002 Long Term Equity Incentive Plan is hereby adopted on the 10th day of September, 2008.

TRIMAS CORPORATION

By: /s/ Joshua A. Sherbin
Joshua A. Sherbin
Its: Vice President, Secretary and General Counsel

Exhibit 10.25

409A AMENDMENT TO
TRIMAS CORPORATION
ANNUAL VALUE CREATION PLAN (AVCP)

Pursuant to resolutions adopted on September 10, 2008 by the Compensation Committee of TriMas Corporation, the TriMas Corporation Annual Value Creation Plan (AVCP) (the "Plan") is amended as set forth below to reflect the application of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") to the Plan. This Amendment is effective September 10, 2008 (the "409A Amendment Date").

1. The first two sentences in "**Participation**" on the first page of the Plan shall be amended and restated to read as follows:

> At the beginning of each calendar year, the AVCP Committee identifies the specific positions that are eligible for participation in the AVCP for that year. The AVCP Committee is made up of the CEO and CFO of TriMas, with input as needed from the Director of Human Resources and the Director of Compensation and Benefits.

2. A new section entitled "**Executive Severance/Change of Control Policy Participants**" shall be added to page 5 of the Plan following the end of "**AVCP Steps – End of the Year**" to read as follows:

> **Executive Severance/Change of Control Policy Participants**
>
> If you are covered by the TriMas Corporation Executive Severance/Change of Control Policy (the "Executive Severance Plan") and your employment is terminated involuntarily by the Corporation without Cause or for "Good Reason" (both as defined in the Executive Severance Plan), or if you are terminated pursuant to a Qualifying Termination (as defined in the Executive Severance Plan) within three years following a Change of Control (as defined in the Executive Severance Plan), your AVCP payments, if any, shall be determined in accordance with the terms of the Executive Severance Plan.

3. The section entitled "**Discretion of Payments**" under "**Additional Information**" on page 6 of the Plan is amended and restated to read as follows:

> **Discretion of Payments**
>
> The AVCP Committee reserves the right to reduce or cancel any payments under the Plan at any time (including during a plan year) based on the best interests of the Corporation and its shareholders, including, but not limited to, circumstances relating to (1) individual performance, (2) the Corporation's financial performance, or (3) the Corporation's future performance objectives; provided, however, that unless designated
>
> elsewhere herein for "specified employees" and Executive Severance Plan participants, AVCP awards under the Plan shall be paid by march 15th following the calendar year in which they are no longer subject to a substantial risk of forfeiture.

4. The first sentence in the section entitled "**Future of the Plan**" under "**Additional Information"** on page 6 of the Plan shall be amended and restated in its entirety to read as follows:

> The TriMas Corporation Compensation Committee may amend or terminate this discretionary Plan at any time, and the AVCP Committee reserves the right to interpret the Plan and designate eligible participants, based on the best interests of the Company and its shareholders.

5. A new section entitled "**Application of Code Section 409A**" shall be added after "**Future of the Plan**" under "**Additional Information**" on page 6 of the Plan to read as follows

> **Application of Code Section 409A**
>
> AVCP award payments under the Plan are intended to be in compliance with Code Section 409A, but in no event shall the Corporation be responsible for any tax or penalty owed by a participant or beneficiary with respect to Plan benefits. Between January 1, 2005 and the 409A Amendment Date, the Plan was administered in good faith compliance under Code Section 409A, taking into account the statutory language, legislative history and interim guidance issued by the Internal Revenue Service relating to Code Section 409A. Notwithstanding any provision of the Plan to the contrary, if you are a "specified employee" under Code Section 409A at the time of your separation from service, all or part of your Plan benefit (if then required under Code Section 409A) shall be withheld until the earlier of your death or the first day of the seventh month following your separation from service, at which time the aggregated withheld amount shall be paid in a lump sum and any remaining payments shall commence in accordance with the applicable Plan provisions.

IN WITNESS WHEREOF, TriMas Corporation has caused this 409A Amendment to the TriMas Corporation Annual Value Creation Plan (AVCP) to be executed on September 10, 2008.

TRIMAS CORPORATION

By: /s/ Joshua A. Sherbin
Joshua A. Sherbin
Its: Vice President, Secretary and General Counsel

Exhibit 10.33

Department:
Executive Office

Policy Number:

Date Issued:
9/10/08

Supersedes Number:
Original

Prepared By:
General Counsel

Approved By:
TriMas Compensation Committee

Title: EXECUTIVE SEVERANCE/CHANGE OF CONTROL POLICY

Scope: This Policy applies to the following Executive Officers ("Executives") of TriMas Corporation ("TriMas" or the "Company"): President/Chief Executive Officer; Chief Financial Officer; Executive Vice President; Vice President – Finance and Treasurer; Corporate Secretary and General Counsel; President – Packaging Systems; and such other officers as may be determined by the TriMas Board of Directors (the "Board").

Purpose: To detail what compensation and benefits, if any, are due to an Executive upon an Executive's termination of employment with the Company, which for purposes of this Policy shall be deemed to constitute "separation from service", as defined under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

Policy: Executive is an at-will employee whose employment may be terminated by Executive or TriMas at any time for any reason. Upon termination, this Policy shall govern the rights and responsibilities of the parties. In connection with this Policy, Executive will devote full business time and efforts to the performance of Executive's duties and responsibilities for the Company; provided that this Policy does not preclude Executive from engaging in charitable and community affairs or managing any passive investment (i.e., an investment with respect to which Executive is in no way involved with the management or operation of the entity in which Executive has invested) to the extent that such activities do not conflict with the Executive's duties; and further provided, that Executive shall not, without the prior approval of the Board, serve as a director or trustee of any other corporation, association or entity, or own more than two percent (2%) of the equity of any publicly traded entity.

1. **Termination Without Cause or for Good Reason**

If the Executive's employment is involuntarily terminated by the Company for any reason other than Cause, Disability or death, or if employment is terminated by Executive for Good Reason then the Company shall provide the Executive the following severance benefits:

President / Chief Executive Officer

(A) Base salary continuation for twenty-four (24) months at Executive's annual base salary rate in effect on the date of termination, subject to all applicable withholding and reporting requirements, and paid in accordance with usual Company payroll practices ("Separation Pay"), provided that the sum of such amount shall not exceed two (2) times the lesser of:

(i) the maximum dollar amount that may be taken into account under a tax-qualified plan pursuant to Code Section 401(a)(17) for the year in which the Executive was terminated, or

(ii) the sum of the Executive's annualized compensation based upon the annual rate of pay for services to the Company for the taxable year prior to the taxable year in which the termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if the Executive had not terminated employment).

The payment in this Section A is intended to be a "separation pay plan due to involuntary separation from service" under Treasury Regulation Section 1.409A-1(b)(9)(iii). In the event that the Executive's separation pay is limited by application of (A)(i) or (A)(ii) of this Section, the Committee shall provide additional true-up payments in accordance with Section 8.B. of this Policy;

(B) Payment of all accrued, but unused vacation by the next payroll date following termination of employment;

(C) Annual Value Creation Plan (AVCP) bonus payments equal to one (1) year's bonus at Executive's target bonus level in effect on the date of termination. The AVCP payments will be paid in equal installments over the twenty-four (24) month period following the date of the Executive's separation from service; and subject to applicable withholding and reporting requirements. In addition, Executive shall receive the AVCP bonus payment for the most recently completed bonus term if a bonus has been declared for Executive but not paid, and a pro rata bonus for the year of termination through the employment termination date based on Executive's target bonus level;

(D) Any unvested equity awards Executive may have received under the 2002 Long Term Equity Incentive Plan shall immediately vest upon the employment termination date and otherwise be exercisable consistent with the terms of such plan. Any unvested equity awards Executive may have received under any subsequently issued equity plan shall vest upon employment termination in an amount equal to the number of awards that would have vested as of the next occurring anniversary date of such equity award adjusted pro rata to the anniversary of the grant date in the month following the employment termination date, and otherwise be exercisable consistent

with the terms of such plan. Any equity awards subject to performance targets shall be paid only upon attainment of the performance targets in accordance with the specified payment date under the terms of such plan;

(E) Reimbursement of the employer's portion of COBRA premiums for medical benefits under Company group benefits (including health, dental, vision, EAP and prescription plans), as defined by the plan documents, until the earliest of (i) the termination of Executive's COBRA period; (ii) twenty-four (24) months following Executive's termination of employment; or (iii) the date on which Executive becomes eligible to receive any medical benefits under any plan or program of any other employer; provided that Executive timely elects to continue health care coverage under COBRA and subject to the Company's COBRA policies. Executive will be responsible for payment of the COBRA premium and will be reimbursed monthly by the Company for the portion of the premium that the Company would have paid if Executive had continued to be a Company employee. If Executive does not become eligible for medical benefits of another employer and the COBRA period expires before twenty-four (24) months have elapsed, during the remaining portion of the twenty-four (24) month period, the Company shall monthly pay Executive an amount equal to the amount that the employer would have paid for Executive's coverage if Executive had continued as a Company employee;

(F) Executive level outplacement services until the earlier of twelve (12) months following Executive's termination of employment or date on which Executive is employed by a subsequent employer; and

(G) Except for the benefits stated above, Executive's participation in all other Company benefits shall cease as of the termination date and otherwise be governed by the terms of the plans, if any, applicable to such benefits.

Executives, Excluding President /Chief Executive Officer

(A) Base salary continuation for twelve (12) months at Executive's annual base salary rate in effect on the date of termination, subject to all applicable withholding and reporting requirements and shall be paid in accordance with usual Company payroll practices ("Separation Pay"), provided that the sum of such amount shall not exceed two (2) times the lesser of:

(i) the maximum dollar amount that may be taken into account under a tax-qualified plan pursuant to Code Section 401(a)(17) for the year in which the Executive was terminated, or

(ii) the sum of the Executive's annualized compensation based upon the annual rate of pay for services to the Company for the taxable year prior to the taxable year in which the termination occurs (adjusted for any increase during that year that was expected to continue indefinitely if the Executive had not terminated employment).

The payment in this Section A is intended to be a "separation pay plan due to involuntary separation from service" under Treasury Regulation Section 1.409A-1(b)(9)(iii). In the event that the Executive's separation pay is limited by application of (A)(i) or (A)(ii) of this Section, the Committee shall provide additional true-up payments in accordance with Section 8.B. of this Policy;

(B) Payment of accrued, but unused vacation by the next payroll period following termination;

(C) Annual Value Creation Plan (AVCP) bonus payments equal to one (1) year's bonus at Executive's target bonus level in effect on the date of termination. The AVCP payments will be paid in equal installments over the twelve (12) month period following the date of the Executive's separation from service and subject to applicable withholding and reporting requirements. In addition, Executive shall receive the AVCP bonus payment for the most recently completed bonus term if a bonus has been declared for Executive but not paid, and a pro rata bonus for the year of termination through the termination date based on Executive's target bonus level;

(D) Any unvested equity awards Executive may have received under the 2002 Long Term Equity Incentive Plan shall immediately vest upon the employment termination date and otherwise be exercisable consistent with the terms of such plan. Any unvested equity awards Executive

may have received under any subsequently issued equity plan shall vest upon employment termination in an amount equal to the number of awards that would have vested as of the next occurring anniversary date of such equity award adjusted pro rata to the anniversary of the grant date in the month following the employment termination date and otherwise be exercisable consistent with the terms of such plan. Any equity awards subject to performance targets shall be paid only upon attainment of the performance targets in accordance with the specified payment date under the terms of such plan;

(E) Reimbursement of the employer's portion of COBRA premiums for medical benefits under Company group benefits (including health, dental, vision, EAP and prescription plans), as defined by the plan documents, until the earliest of (i) termination of Executive's COBRA period; (ii) twelve (12) months following Executive's termination of employment, or (iii) the date on which Executive becomes eligible to receive any medical benefits under any plan or program of any other employer; provided Executive timely elects to continue health care coverage under COBRA and subject to the Company's COBRA policies. Executive will be responsible for payment of the COBRA premium and will be reimbursed monthly by the Company for the portion of the premium that the Company would have paid if Executive had continued to be a Company employee; provided, however, that statutory COBRA coverage in excess of twelve (12) months shall not include any reimbursement for the employer's portion;

(F) Executive level outplacement services until the earlier of twelve (12) months following the Executive's termination of employment or date on which the Executive is employed by a subsequent employer; and

(G) Except for the benefits stated above, Executive's participation in all other Company benefits shall cease as of the termination date and otherwise be governed by the terms of the plans, if any, applicable to such benefits.

For purposes of this Policy, "Good Reason" means:

- A material and permanent diminution in Executive's duties or responsibilities;

- A material reduction in the Executive's base compensation; or

- A permanent reassignment of Executive to another primary office, or relocation of the Company office of more than 35 miles distance from current office location.

Executive must notify the Company in writing of Executive's intention to invoke termination for Good Reason within ninety (90) days after the initial existence of such event and provide the Company thirty (30) days opportunity after written notice has been received from the Executive for cure, or such event shall not constitute Good Reason under this Policy. Executive may not invoke termination for Good Reason if Cause exists at the time of such termination. Additionally, Executive must terminate employment within one (1) year following the initial existence of one (1) or more of the events listed above in order for the termination to be considered for "Good Reason."

2. Voluntary Termination by Executive

If Executive terminates employment with the Company without Good Reason, the Company shall pay Executive his orher accrued base salary through the date of termination; earned but unused vacation compensation and the AVCP award for the most recently completed year if an award has been declared for such year but not paid. The accrued salary and vacation time shall be paid by the next normal payroll date following termination of employment, and the AVCP award shall be paid in accordance with the terms of the plan. Except for the benefits stated above, Executive's participation in all other Company benefits shall cease as of the termination date and otherwise be governed by the terms of the plans, if any, applicable to such benefits.

3. Termination for Cause

If the Company terminates Executive with Cause, or if Executive terminates employment with the Company without good reason, the Company shall pay Executive his or her accrued base salary through the date of termination, plus earned but unused vacation compensation. Executive shall not be entitled to payment of any AVCP award, whether declared and unpaid for any prior year, for any portion of the year in which the termination occurs or otherwise. The accrued salary and vacation time shall be paid within ten (10) days of termination of employment. For purposes of this Policy, "Cause" shall mean:

- Executive's conviction of or plea of guilty or *nolo contendere* to a crime constituting a felony under the laws of the United States or any jurisdiction in which the Company conducts business;

- Executive's willful failure or refusal to perform his or her duties to the Company and failure to cure such breach within thirty (30) days following written notice thereof from the Company;

- Executive's willful failure or refusal to follow directions of the Board (or direct reporting executive) and failure to cure such breach within thirty (30) days following written notice thereof from the Board (or direct reporting executive); or

- Executive's breach of fiduciary duty to the Company for personal profit.

Any failure by the Company or a Subsidiary to notify an Executive after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrence of such event (or similar event) from constituting Cause.

4. Termination Following a Change of Control

If Executive's employment with the Company terminates by reason of a Qualifying Termination (as defined in this section) within three (3) years after a Change in Control, in place of any other severance payment or other consideration and subject to all legal requirements, Company shall provide Executive the following separation benefits:

(A) If employment termination occurs within two (2) years following a Change in Control, a lump sum payment equal to Executive's base salary for thirty six (36) months at Executive's annual base salary rate in effect on the date of termination, subject to all applicable withholding and reporting requirements, payable within sixty (60) days following Executive's termination of employment. If employment termination occurs during the third year following a Change in Control, base salary continuation for thirty-six (36) months at Executive's annual base salary rate in effect at employment termination, subject to all applicable withholding and reporting requirements.

(B) If employment termination occurs within two (2) years following a Change in Control, a lump sum payment for Annual Value Creation Plan bonus payments equal to three (3) years' bonus at the target bonus level in effect on the date of termination, subject to applicable withholding and reporting requirements. In addition, Executive shall receive a lump sum payment of the AVCP bonus payment for the most recently completed bonus term if a bonus has been declared for Executive but not paid, and a lump sum payment of the pro rata bonus for the year of termination through the termination date based on Executive's target bonus level. All lump sum payments shall be made within sixty (60) days following Executive's termination of employment. If employment termination occurs during the third

year following a Change in Control, the amount of payments under this paragraph (B) shall be the same as for termination within two (2) years following a Change in Control, subject to applicable withholding and reporting requirements, but the payments shall be made in equal installments over a thirty-six (36) month period;

(C) Any unvested equity awards Executive may have received under any equity incentive plan shall immediately vest upon the termination date and otherwise be exercisable consistent with the terms of such plan; provided, however, that any equity awards subject to performance targets shall be paid only upon attainment of the performance targets in accordance with the specified payment date under the terms of such plan;

(D) Reimbursement of the employer's portion of COBRA premiums under Company group benefits (including health, dental and prescription plans), as defined by the plan documents, until the earliest of (i) the termination of Executive's COBRA period; (ii) thirty-six (36)) months following Executive's termination of employment, or (iii) the date on which Executive becomes eligible to receive any medical benefits under any plan or program of any other employer; provided Executive timely elects to continue health care coverage under COBRA and subject to the Company's COBRA policies; Executive will be responsible for payment of the COBRA premium and will be reimbursed monthly by the Company for the portion of the premium that the Company would have paid if Executive had continued to be a Company employee. If Executive does not become eligible for medical benefits of another employer and the COBRA period expires before thirty-six (36) months have elapsed, during the remaining portion of the thirty-six (36) month period, the Company shall monthly pay Executive an amount equal to the amount that the employer would have paid for Executive's coverage if Executive had continued as a Company employee;

(E) Executive level outplacement services until the earlier of twelve (12) months following Executive's termination of employment or date on which Executive is employed by a subsequent employer; and

(F) Except for the benefits stated above, Executive's participation in all other Company benefits shall cease as of the employment termination date and otherwise be governed by the terms of the plans, if any, applicable to such benefits.

A Qualifying Termination shall be defined for purposes of this Policy as a termination of Executive's employment with the Company for any reason other than:

- Death;
- "Disability (as defined in this Policy);
- Cause (as defined in this Policy); or
- A termination by Executive without Good Reason (as defined in this Policy).

For purposes of this Policy, "Change of Control" shall be defined as follows:

(i) "Change of Control," with the two exceptions described below, shall have the same meaning as in the Indenture dated as of June 6, 2002 among the Company, each of the Guarantors named therein and the Bank of New York, as Trustee, relating to the 9 7/8% Senior Subordinated Notes due 2012 of Company, as in effect on the adoption of the Policy and regardless of whether or not such notes or Indenture are hereinafter discharged, defeased or repaid (the "Indenture"); and all defined terms used in such definition of Change of Control shall have the meanings ascribed thereto under the Indenture as well; provided that no acquisition by any employee benefit plan (or related trust) sponsored or maintained by Company or any of its subsidiaries shall result in a Change of Control hereunder.

(ii) Paragraph (2) of the Change of Control definition in the Indenture regarding liquidation or dissolution shall be excluded from the definition applied herein to conform with Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A").

(iii) To conform with Code Section 409A, the following provision shall control over the "Continuing Director" provision set forth in paragraph (4) of the Change of Control definition in the Indenture: A Change of Control shall occur on the first day on which a majority of the members of the Board of Directors ("Board") are not continuing Directors. As of the date of determination, a "Continuing Director" means any member of the Board who (a) has been a member of the Board throughout the immediately preceding twelve (12) months, or (b) was nominated for election, or elected to the Board with the approval of the Continuing Directors who were members of the Board at the time of such nomination or election, or designated as a Director under the Stockholders Agreement.

5. <u>Disability</u>

If Executive's employment is terminated after it is determined that the Executive is disabled (a) under Section 223(d) of the Social Security Act, or any successor provision, and Executive is entitled to receive a disability benefit under such Act, or (b) if Executive is unable to engage in any substantial activity due to medically determinable physical or medical impairment expected to result in death or to last for a continuous period of not less than twelve (12) months, or (c) if due to any medically determinable physical or mental impairment expected to result in death or last for a continuous period not less than twelve (12) months, Executive has received income replacement benefits for a period of not less than three (3) months under a Company-sponsored accident and health plan, then all obligations of the Company to make any further payments shall, except for earned but unpaid base salary and accrued but unpaid AVCP bonus awards, shall terminate on the

first to occur of (i) the date that is six (6) months after such termination or (ii) the date Executive becomes entitled to benefits under a Company-provided long-term disability program. Executive's outstanding equity awards shall become 100% vested in the event of a Disability termination hereunder. The earned but unpaid base salary shall be paid by the next normal payroll payment date following termination of the Executive's employment, and the AVCP award shall be paid in accordance with the terms of such plan. Company may only terminate Executive on account of Disability after giving due consideration to whether reasonable accommodations can be made under which Executive is able to fulfill Executive's job related duties. The commencement date and expected duration of any physical or mental condition that prevents Executive from performing job related duties shall be determined by a medical doctor selected by Company. Company may, in its discretion, require written confirmation from a physician of Disability during any extended absence. Except for the benefits stated above, Executive's participation in all other Company benefits shall cease as of the date above on which Company's obligation to make payments ceases and otherwise be governed by the terms of the plans, if any, applicable to such benefits.

6. Death

If Executive's employment terminates due to Executive's death, all obligations of Company to make any further payments, other than an obligation to pay any accrued but unpaid base salary to the date of death and any accrued but unpaid bonuses under AVCP to the date of death, shall terminate upon Executive's death. Executive's outstanding equity awards shall become 100% vested in the event Executive's employment is terminated due to death. The accrued but unpaid base salary shall be paid by the next normal payroll date following termination of employment, and the accrued but unpaid AVCP award shall be paid in accordance with the terms of such plan. In accordance with Company guidelines, Executive's qualified dependents shall be reimbursed for the employer portion of COBRA premiums for Company group medical benefits (including health, dental, vision, EAP and prescription plans), as defined by the plan documents, for a period not to exceed thirty-six (36) months; provided a timely election to continue health care coverage under COBRA is made and subject to Company's COBRA policies. Except for the benefits stated above, Executive's participation in all other Company benefits shall cease as of the date of death and otherwise be governed by the terms of the plans, if any, applicable to such benefits.

7. Non-Competition; Non-Solicitation; Confidentiality

In consideration of the benefits provided under this Policy, Executive shall comply with the following:

(a) Acceptance of employment under this Policy and performance relative to this Policy are not in violation of any restrictions or covenants under the terms of any other agreements to which Executive is a party.

(b) Executive acknowledges and recognizes the highly competitive nature of the business of Company and accordingly agrees that, in consideration of this Policy, the rights conferred hereunder, and any payment hereunder, while Executive is employed by Company and for the duration of (i) any severance payments provided hereunder to Executive following the termination of Executive's employment with Company, or (ii) twenty four (24) months following the termination of Executive's employment with the Company if no severance payment is payable hereunder upon such termination ("Non-Compete Term"), Executive shall not engage, either directly or indirectly, as a principal for Executive's own account or jointly with others, or as a stockholder in any corporation or joint stock association, or as a partner or member of a general or limited liability entity, or as an employee, officer, director, agent, consultant or in any other advisory capacity in any business other than Company or its subsidiaries which designs, develops, manufacturers, distributes, sells or markets the type of products or services sold, distributed or provided by Company or its subsidiaries during the one (1) year period prior to the date of employment termination (the "Business"); provided that nothing herein shall prevent Executive from owning, directly or indirectly, not more than five percent (5%) of the outstanding shares of, or any other equity interest in, any entity engaged in the Business and listed or traded on a national securities exchanges or in an over-the-counter securities market.

(c) During the Non-Compete Term, Executive shall not (i) directly or indirectly employ or solicit, or receive or accept the performance of services by, any active employee of Company or any of its subsidiaries who is employed primarily in connection with the Business, except in connection with general, non-targeted recruitment efforts such as advertisements and job listings, or directly or indirectly induce any employee of Company to leave Company, or assist in any of the foregoing, or (ii) solicit for business (relating to the Business) any person who is a customer or former customer of Company or any of its subsidiaries, unless such person shall have ceased to have been such a customer for a period of at least six (6) months.

(d) Executive shall not at any time (whether during or after his employment with Company) disclose or use for Executive's own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than

Company and any of its subsidiaries, any trade secrets, information, data, or other confidential information of Company, including but not limited to, information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, financing methods, plans or the business and affairs of Company generally, or of any subsidiary of Company, unless required to do so by applicable law or court order, subpoena or decree or otherwise required by law, with reasonable evidence of such determination promptly provided to Company. The preceding sentence of this paragraph (d) shall not apply to information which is not unique to Company or which is generally known to the industry or the public other than as a result of Executive's breach of this covenant. Executive agrees that upon termination of employment with Company for any reason, Executive will return to Company immediately all memoranda, books, papers, plans, information, letters and other data, and all copies of these materials, in any way relating to the business of Company and its subsidiaries, except that Executive may retain personal notes, notebooks and diaries. Executive further agrees that Executive will not retain or use for Executive's account at any time

any trade names, trademark or other proprietary business designation used or owned in connection with the business of Company or its subsidiaries.

(e) Although Executive and Company consider the restrictions contained in this Policy to be reasonable, if a final judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in this Policy is an unenforceable restriction against Executive, the provisions of this Policy shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any tribunal of competent jurisdiction finds that any restriction contained in this Policy is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(f) In order to receive any of the benefits described in this Policy, Executive shall be required to execute an agreement pursuant to which Executive releases any claims Executive may have against Company and agrees to the continuing enforceability of the restrictive covenants of this Policy.

(g) Executive will be required to surrender to Company all correspondence, documents, supplies, files, equipment, checks, and all other materials and records of any kind that are the property of Company or any of its subsidiaries or affiliates that are in the possession or under control of the Executive.

8. Miscellaneous provisions

A. Payments Not Compensation

Any participation by Executive in, and any terminating distributions and vesting rights (other than previously defined) under, Company sponsored retirement or savings plans, regardless of whether such plans are qualified or non-qualified for tax purposes, shall be governed by the terms of those respective plans. Any salary continuation or severance benefits shall not be considered compensation for purposes of accruing additional benefits under such plans.

B. Timing of Payments

Each of the payments under this Policy either is intended to comply with the requirements of Section 409A and the regulations thereunder or qualify for an exception to compliance with Section 409A. Notwithstanding any provision of this Policy, if any amount payable under this Policy is not exempt from Code Section 409A, the payment of such amount shall not be made prior to, and shall, if necessary, be deferred to and paid on the later of (i) the earliest date on which the Executive experiences a "separation from service" (within the meaning of Treasury Regulation 1.409A-1(h) and, (ii) if the Executive is a "specified employee" (within the meaning of Treasury Regulation 1.409A-1(i)) on the later of (a) the date of the Executive's separation from service, (b) the first day of the seventh month following the Executive's separation from service, or (c) the date of the Executive's death, if earlier, with any delayed payments being aggregated and paid in a lump sum. Provided, however, that the Company does not by operation of this requirement assume responsibility for compliance with Section 409A. The Executive will be responsible for any additional tax, interest or penalties under Section 409A arising out of payments under this Policy.

C. Payment Process and Taxation Requirements

All payments made under this Policy will follow the legal and tax payment requirements outlined within the Appendix (A) of this Policy.

D. Notices.

All notices or communications hereunder shall be in writing, addressed as follows:

To Company:

TriMas Corporation
39400 Woodward Ave., Suite 130
Bloomfield Hills, MI 48304
Attn: General Counsel

Any such notice or communication shall be delivered by hand or by courier or sent certified or registered mail, return receipt requested, postage prepaid, addressed as above (or to such other address as such party may designate in a notice duly delivered as described above), and the third (3rd) business day after the actual date of mailing shall constitute the time at which notice was given.

E. Separability; Legal Fees

If any provision of this Policy shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions which shall remain in full force and effect. In the event of a dispute by Company, Executive or others as to the validity or enforceability of, or liability under, any provision of this Policy, Company shall reimburse Executive for all reasonable legal fees and expenses incurred by Executive if Executive prevails in the dispute resolution

process. If Executive does not prevail, Executive and Company shall be responsible for their respective legal fees and expenses. Any reimbursements shall occur by March 15th of the year following the date on which the dispute resolution concludes and shall not be payable if not exempt from or in compliance with Code Section 409A.

F. ERISA Provisions

This Policy constitutes a "top hat" plan maintained primarily for a group of management or highly compensated employees and is exempted from most, but not all of the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). To the extent that ERISA applies, the ERISA provisions are set forth on Appendix B to the Policy.

G. Dispute Resolution Governing Law

Any and all disputes arising under this Policy must be resolved in accordance with the TriMas Dispute Resolution Policy process, as set forth in the ERISA attachment on Appendix B to the Plan. To the extent not preempted by Federal law, this Policy and all disputes related to it shall be governed by Michigan law, without regard to conflict of law principles.

H. Amendments and Termination; Code Section 409A

This Policy may be amended or terminated at any time by the Compensation Committee; provided however, that no amendment or termination may adversely affect any Executive without the Executive's prior written consent, and any termination shall comply with Code Section 409A. Notwithstanding the foregoing, the Compensation Committee may amend or terminate the Policy at any time following twelve (12) months' written notice to any adversely affected Executive. Further, this Policy shall be construed and administered in such manner as shall be necessary to effect compliance with Code Section 409A and shall be subject to unilateral amendment by the Company in such manner as the Company may deem necessary or appropriate to effect such compliance.

I. Code Section 162(m)

Notwithstanding anything contrary in this Policy, to the extent any benefit covered under this Policy is intended to be exempt from the application of Code Section 162(m) as "performance based compensation" (as defined in 162(m) and the regulations

thereunder), then such performance-based compensation shall only be paid to the Executive upon death, Disability or a Change in Control.

APPENDIX A
APPLICATION OF GOLDEN PARACHUTE LIMITATIONS

1. Cap on Payments.

(a) General Rules. The Code may place significant tax burdens on Executive and Company if the total payments made to Executive due to a Change of Control exceed prescribed limits. In order to avoid this excise tax and the related adverse tax consequences for Company, by signing this Agreement, Executive will be agreeing that, subject to the exception noted below, the present value of Executive's Total Payments will not exceed an amount equal to Executive's Cap.

(b) Special Definitions. For purposes of this Section, the following specialized terms will have the following meanings:

(1) "Base Period Income". "Base Period Income" is an amount equal to Executive's "annualized includable compensation" for the "base period" as defined in Sections 280G(d)(1) and (2) of the Code and the regulations adopted thereunder. Generally, Executive's "annualized includable compensation" is the average of Executive's annual taxable income from Company for the "base period," which is the five calendar years prior to the year in which the Change of Control occurs. These concepts are complicated and technical and all of the rules set forth in the applicable regulations apply for purposes of this Agreement.

(2) "Cap" or "280G Cap". "Cap" or "280G Cap" shall mean an amount equal to 2.99 times Executive's "Base Period Income." This is the maximum amount which Executive may receive without becoming subject to the excise tax imposed by Section 4999 of the Code or which Company may pay without loss of deduction under Section 280G of the Code.

(3) "Total Payments". The "Total Payments" include any "payments in the nature of compensation" (as defined in Section 280G of the Code and the regulations adopted thereunder), made pursuant to this Policy or otherwise, to or for Executive's benefit, the receipt of which is contingent on a Change of Control and to which Section 280G of the Code applies.

(c) Calculating the Cap and Adjusting Payments. If Company believes that these rules will result in a reduction of the payments to which Executive is entitled under this Agreement, it will so notify Executive as soon as possible. Company will then, at its expense, retain a "Consultant" (which shall be a law firm, a certified public accounting firm, and/or a firm of recognized executive compensation consultants) to provide an opinion or opinions concerning whether Executive's Total Payments exceed the limit discussed above. Company will select the Consultant. At a minimum, the opinions required by this Section must set forth the amount of Executive's Base Period Income, the present value of the Total Payments and the amount and present value of any excess parachute payments. If the opinions state that there would be an excess parachute payment, Executive's payments under this Policy will be reduced to the Cap. If the Consultant selected to provide the opinions referred to above so requests in connection with the opinion required by this

Section, a firm of recognized executive compensation consultants selected by Company shall provide an opinion, upon which such Consultant may rely, as to the reasonableness of any item of compensation as reasonable compensation for services rendered before or after the Change of Control. If Company believes that Executive's Total Payments will exceed the limitations of this Section, it will nonetheless make payments to Executive, at the times stated above, in the maximum amount that it believes may be paid without exceeding such limitations. The balance, if any, will then be paid after the opinions called for above have been received. If it is ultimately determined, pursuant to the opinion referred to above or by the Internal Revenue Service, that a greater payment should have been made to Executive, Company shall pay Executive the amount of the deficiency, together with interest thereon from the date such amount should have been paid to the date of such payment, at the rate set forth above, so that Executive will have received or be entitled to receive the maximum amount to which Executive is entitled under this Agreement. Notwithstanding the foregoing, reimbursement for payments hereunder and excise taxes under Section 2 below shall be made by the end of the calendar year following the calendar year in which the taxes are paid.

(d) Effect of Repeal. In the event that the provisions of Sections 280G and 4999 of the Code are repealed without succession, this Section shall be of no further force or effect.

(e) Exception. The Consultant selected pursuant to Section 1(c) of Appendix A will calculate Executive's "Uncapped Benefit" and Executive's "Capped Benefit." The limitations of Section 1(a) of Appendix A shall not apply to Executive's benefit if the Company reasonably determines that the amount of the Uncapped Benefit that would be retained by Executive, after payment of all applicable taxes by Executive, including excise tax (but not the amount of any excise tax arising from any payment under Section 2 of Appendix A), exceeds the Capped Benefit, after payment by Executive of all applicable taxes. If the after tax amount of the Uncapped Benefit that would be retained by Executive is equal to or less than the after tax amount of the Capped Benefit that would be retained by Executive, then payments to Executive shall be adjusted, as necessary, so Executive's Capped Benefit is not exceeded, as provided in Section 1(a) of Appendix A. For this purpose, Executive's "Uncapped Benefit" is the amount to which Executive would be entitled pursuant to Section 4 of the Policy, without regard to the limitations of Section 1(a) of Appendix A. Executive's "Capped Benefit" is the amount to which Executive would be entitled pursuant to Section 4 of the Policy after the application of the limitations of Section 1(a) of Appendix A. In making this determination the Company shall use Executive's total presumed taxes. "Total presumed taxes" means all federal, state and local income taxes, excise taxes and employment taxes. Executive's total presumed taxes shall be conclusively calculated using a combined tax rate equal to the sum of the maximum marginal federal and applicable state and local income tax rates and employment and excise tax rates. The state tax rate for Executive's principal place of residence will be used and no adjustments will be made for the deduction of state taxes on the federal return, any deduction of federal taxes on a state return, the loss of itemized deductions or exemptions, or for any other purpose.

2. **Payment of Excise Tax**.

If the Cap imposed by Section 1(a) of Appendix A does not apply to Executive because of the exception provided by Section 1(e) of Appendix A, Company shall pay Executive an amount, in addition to the payments otherwise due hereunder, that is calculated to equal the amount of excise tax that Executive will incur under Section 4999 of the Code in connection with Total Payments and this payment under Section 2 of Appendix A. This amount will be calculated by the Consultant and will paid by Company, less applicable tax withholdings, as soon possible after the amount of the Uncapped Benefit is determined. No adjustment shall be required if the actual amount of the excise tax is more or less than the amount calculated by the Consultant. The Executive shall not be entitled to any tax "gross up" payments pursuant to this provision.

APPENDIX B
ERISA ATTACHMENT TO TRIMAS CORPORATION
EXECUTIVE SEVERANCE/CHANGE OF CONTROL POLICY

The TriMas Corporation Executive Severance/Change of Control Policy (the "Policy"), is intended to constitute an unfunded plan maintained primarily for the purpose of providing benefits for a select group of management or highly compensated employees under Sections 201(2), 301(a)(3) and 401(a)(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Notwithstanding any contrary provisions in the Policy, the Policy is subject to the provisions set forth below.

1. Plan Administrator and Named Fiduciary. The Plan Administrator and Named Fiduciary of the Plan for purposes of ERISA shall be TriMas Corporation, or any successor thereto. The address of the Plan Administrator is 39400 Woodward Avenue, Suite 130, Bloomfield Hills, MI 48304. The Plan Administrator shall have absolute discretion to administer the Plan, including but not limited to questions of construction, interpretation and eligibility under the Plan.

2. Claims Procedure. Claims for benefits under the Policy shall be processed in accordance with the TriMas Corporation Alternative Dispute Resolution Policy (the "ADR Policy"), subject, however, to the modifications described below.

(a) Mediation. If an Executive is unable to resolve a dispute over benefits under the Policy through internal human resource channels, he or she must request mediation of the dispute. The decision of the mediator shall be delivered to the Executive electronically or by mail within 90 days after the Executive's request for mediation, unless circumstances require an extension. The need for an extension shall be communicated to the Executive before the expiration of the initial 90 day period. The extension may not exceed 90 days.

If the mediator denies the Executive's claim for benefits, the mediator shall provide, in written or electronic form, a notice of a claim denial, which sets forth:

(1) the specific reasons for the denial;

(2) reference to specific provisions of the Policy upon which the denial is based;

(3) a description of any additional material or information necessary for the Executive to perfect his or her claim, along with an explanation of why such material or information is necessary; and

(4) an explanation of claim review procedures under the Policy and the time limits applicable to such procedures.

Any such claim denial notice shall be written in a manner that may be understood without legal or actuarial counsel.

(b) Arbitration.

(1) An Executive whose claim for benefits has been wholly or partially denied by the mediator may request arbitration of such denial. The request for arbitration must be in written or electronic form, and delivered to the Plan Administrator within 60 days following the denial of the claim by the mediator.

The request should set forth the reasons why the Executive believes the denial of his or her claim is incorrect. The Executive shall be entitled to submit such issues, comments, documents, or records as the Executive shall consider relevant to a determination of the claim, without regard to whether such information was submitted to or considered by the mediator. Prior to submitting such request, the Executive shall be provided, upon request and free of charge, reasonable access to, and copies of, such documents, records, and other information that are relevant to the claim.

(2) The Executive may, at all stages of review, be represented by counsel, legal or otherwise, of his or her choice, provided that the fees and expenses of the Executive's counsel shall be borne by the Executive.

(3) The Plan Administrator's decision with respect to any such review shall be delivered electronically or in writing to the Executive no later than 60 days following receipt by the Plan Administrator of the Executive's request, unless special circumstances, such as the need to hold a hearing, require an extension of time for processing. If an extension is needed, the Plan Administrator shall, before the end of the initial review period, give the Executive written notice of the special circumstances requiring the extension and the date by which he or she expects a decision will be rendered. In any event, the Plan Administrator must provide the Executive with written or electronic notification of the decision on review no later than 120 days after receipt of the Executive's request.

In the case of an adverse benefit determination by the arbitrator, the notification shall set forth the information described in Section (a)(1) and (2) above, a statement that the Executive is entitled to receive, upon request and at no charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, a description of any voluntary appeal procedure offered by the Policy, and the Executive's right to obtain information about the appeals procedure.

(c) Time Limits Affecting Jurisdiction. The Plan Administrator shall not entertain a claim or a request for review unless it is filed timely in the manner specified by subsection (c) above, which is a condition precedent to obtaining review by the Plan Administrator. The period of time within which the benefit determination, or an appeal of a benefit determination, is required to be made shall begin at the time the claim or appeal is filed and without regard to whether all the information necessary to make a determination accompanies the filing. If the period of review is extended because of the Executive's failure to submit all necessary information, the period for making the determination shall be tolled from the date the notice of extension is sent to the Executive to the date on which the Executive responds to the request.

(d) TriMas Alternative Dispute Resolution Policy Process. An arbitrator selected pursuant to the ADR Policy, as modified above, shall not have jurisdiction or authority to change, add to or subtract from any of the provisions of the Policy. The arbitrator's sole authority shall be to interpret or apply the provisions of the Policy, and the arbitrator shall have the power to compel attendance of witnesses at the hearing. The arbitrator shall be appointed upon mutual agreement of the Corporation and the Executive pursuant to the arbitration rules referenced above. Once an Executive commences arbitration proceedings,

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the Executive shall not be permitted to terminate the arbitration proceedings without the express written consent of the Corporation. Any court having jurisdiction may enter a judgment based upon such arbitration. All decisions of the arbitrator shall be final and binding on the Executive and the Corporation without appeal to any court. The costs of the arbitration shall be split equally between the parties.

3. Non-alienation of Benefits. Except in so far as this provision may be contrary to applicable law, no sale, transfer, alienation, assignment, pledge collateralization, or attachment of any benefits under the Policy shall be valid or recognized by the Corporation.

Exhibit 10.37

**THIRD AMENDMENT TO THE
TRIMAS CORPORATION
2006 LONG TERM EQUITY INCENTIVE PLAN**

Pursuant to Section 11.8 of the TriMas Corporation 2006 Long Term Equity Incentive Plan (the "2006 Equity Plan") and resolutions adopted by the Board of Directors of TriMas Corporation (the "Corporation") on February 28, 2008, the 2006 Equity Plan is hereby amended as set forth below, subject to Stockholder approval on May 2, 2008.

Effective May 2, 2008, upon receipt of Stockholder approval to increase the number of shares reserved for issuance under the 2006 Equity Plan by 235,877, Section 1.7 of the Plan is amended and restated in its entirety to read as follows:

1.7 Stock.

(a) Effective May 2, 2008, the Corporation has reserved 1,435,877 shares of the Corporation's Common Stock for issuance pursuant to stock-based Awards. Up to 500,000 of the aggregate reserved shares may be granted as Incentive Stock Options under the Plan. All provisions of this Section 1.7 shall be adjusted, as applicable, in accordance with Article X.

This THIRD Amendment to the TriMas Corporation 2006 Long Term Equity Incentive Plan is hereby adopted on the 2nd day of May, 2008.

TRIMAS CORPORATION

By: /s/ Joshua A. Sherbin
Joshua A. Sherbin
Its: Vice President, Secretary and General Counsel

Exhibit 10.38

FOURTH AMENDMENT TO THE
TRIMAS CORPORATION
2006 LONG TERM EQUITY INCENTIVE PLAN

Pursuant to Section 11.8 of the TriMas Corporation 2006 Long Term Equity Incentive Plan (the "2006 Equity Plan") and resolutions adopted by the Compensation Committee of TriMas Corporation (the "Corporation") on September 10, 2008, effective September 10, 2008, the 2006 Equity Plan is hereby amended for Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") as set forth below:

1. Subsection (h) "Cause" of Section 1.4 shall be amended and restated to read as follows:

(h) "Cause" means (i) a Participant's conviction of or plea of guilty or *nolo contendere* to a crime constituting a felony under the laws of the United States or any State thereof or any other jurisdiction in which the Corporation or its Subsidiaries conduct business; (ii) a Participant's willful failure or refusal to perform his or her duties to the Corporation or its Subsidiaries and failure to cure such breach within thirty (30) days following written notice thereof from the Corporation; (iii) a Participant's willful failure or refusal to follow directions from the Board (or direct reporting executive) and failure to cure such breach within thirty (30) days following written notice thereof from the Board; or (iv) a Participant's breach of fiduciary duty to the Corporation or its Subsidiaries for personal profit. Any failure by the Corporation or a Subsidiary to notify a Participant after the first occurrence of an event constituting Cause shall not preclude any subsequent occurrences of such event (or a similar event) from constituting Cause.

2. Subsection 2.4(a)(i) of Section 2.4 "Payment for Option Shares" shall be amended and restated to read as follows:

(i) delivery to the Corporation of outstanding shares of Common Stock on such terms and conditions as may be specified in the Participant's Agreement;

3. Subsection (c) of Section 2.4 "Payment for Option Shares" shall be amended by the addition of the following sentence at the end of the paragraph to read as follows:

Provided; however, that a buy-out shall not be permitted unless the per share Fair Market Value of the Corporation's Common Stock on the date of the buyout exceeds the per share exercise price of the Option.

4. Subsection (iii) shall be added to Section 5.2(b) "Terms of Performance Awards" to read as follows:

(iii) Payment of a Performance Award shall be made following a determination by the Administrator that the performance targets were attained and shall be paid within 2-1/2 months after the later of the end of the fiscal or

5. The last sentence in Section 9.2 "Restricted Stock and Restricted Stock Units" shall be amended and restated in its entirety to read as follows:

The Administrator shall not waive any restrictions on a Code Section 162(m) Restricted Stock or Restricted Stock Unit Award, but the Administrator may provide in a Participant's Code Section 162(m) Restricted Stock or Restricted Stock Unit Agreement or otherwise that upon the Employee's termination of employment due to (a) death, (b) Disability or (c) for Awards with performance periods commencing before January 1, 2009, involuntary termination by the Corporation without Cause (as determined by the Administrator) prior to the attainment of the associated performance goals and restrictions, that the performance goals and restrictions shall be deemed to have been satisfied on terms determined by the Administrator

6. The last sentence in Section 9.3 "Performance Awards" shall be amended and restated to read as follows:

Notwithstanding the foregoing, the Administrator shall not waive any restrictions on a Code Section 162(m) Performance Award, but the Administrator may provide in a Participant's Code Section 162(m) Performance Share Agreement or otherwise that upon the Employee's termination of employment due to (a) death, (b) Disability or (c) for Awards with performance periods commencing before January 1, 2009, involuntary termination by the Corporation without Cause (as determined by the Administrator), prior to the attainment of the associated performance goals and restrictions, that the performance goals and restrictions shall be deemed to have been satisfied on terms determined by the Administrator.

7. Section 9.5 "Other Provisions" shall be amended by the addition of a new sentence at the end of the paragraph to read as follows:

For purposes of Code Section 409A, a leave of absence shall not be considered a termination of employment if the leave duration either is six (6) months or less (up to twenty-nine (29) for disability) or reemployment upon expiration of such leave is guaranteed by statute or contract.

8. The second sentence of Section 11.7 "Withholding Taxes" shall be amended and restated to read as follows:

To fulfill the withholding obligation, a Participant may tender previously-acquired shares of Common Stock or have shares of stock withheld from the exercise, provided that the shares have an aggregate Fair Market Value sufficient to satisfy in whole or in part the applicable withholding taxes.

9. Section 11.9 "Code Section 409A" shall be amended by the addition of the following sentence at the beginning of the paragraph to read as follows:

Between January 1, 2005 and the effective date of this Amendment, the Plan was administered in good faith compliance under Code Section 409A, taking into

account the statutory language, legislative history and interim guidance issued by the Internal Revenue Service relating to Code Section 409A.

10. Section 11.9 “Code Section 409A” shall be amended by the addition of the following sentences at the end of the paragraph to read as follows:

Although payments under the Plan are intended to be exempt from or in compliance with Code Section 409A and the provisions of the Plan are to be construed accordingly, in no event shall the Corporation or a Subsidiary be responsible for any tax or penalty owed by a Participant or Beneficiary with regard to Plan payments.

This FOURTH Amendment to the TriMas Corporation 2006 Long Term Equity Incentive Plan is hereby adopted on the 10th day of September, 2008.

TRIMAS CORPORATION

By: /s/ Joshua A. Sherbin
Joshua A. Sherbin
Its: Vice President, Secretary and General Counsel

Exhibit 10.42

ISDA®
International Swaps and Derivatives Association, Inc.

2002 MASTER AGREEMENT

dated as of April 29, 2008

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	and	**TRIMAS CORPORATION**
("Party A")		("Party B")

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this 2002 Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties or otherwise effective for the purpose of confirming or evidencing those Transactions. This 2002 Master Agreement and the Schedule are together referred to as this "Master Agreement".

Accordingly, the parties agree as follows:—

1. Interpretation

(a) ***Definitions***. The terms defined in Section 14 and elsewhere in this Master Agreement will have the meanings therein specified for the purpose of this Master Agreement.

(b) ***Inconsistency***. In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement, such Confirmation will prevail for the purpose of the relevant Transaction.

(c) ***Single Agreement***. All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) ***General Conditions***.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

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(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other condition specified in this Agreement to be a condition precedent for the purpose of this Section 2(a)(iii).

(b) ***Change of Account***. Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the Scheduled Settlement Date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) ***Netting of Payments***. If on any date amounts would otherwise be payable:—

(i) in the same currency; and

(ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by which the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount and payment obligation will be determined in respect of all amounts payable on the same date in the same currency in respect of those Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or any Confirmation by specifying that "Multiple Transaction Payment Netting" applies to the Transactions identified as being subject to the election (in which case clause (ii) above will not apply to such Transactions). If Multiple Transaction Payment Netting is applicable to Transactions, it will apply to those Transactions with effect from the starting date specified in the Schedule or such Confirmation, or, if a starting date is not specified in the Schedule or such Confirmation, the starting date otherwise agreed by the parties in writing. This election may be made

separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) ***Deduction or Withholding for Tax***.

(i) ***Gross-Up***. All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:—

(1) promptly notify the other party ("Y") of such requirement;

(2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;

(3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and

(4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:—

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, after a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) ***Liability***. If:—

(1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);

(2) X does not so deduct or withhold; and

(3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

3. Representations

Each party makes the representations contained in Sections 3(a), 3(b), 3(c), 3(d), 3(e) and 3(f) and, if specified in the Schedule as applying, 3(g) to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement). If any "Additional Representation" is specified in the Schedule or any Confirmation as applying, the party or parties specified for such Additional Representation will make and, if applicable, be deemed to repeat such Additional Representation at the time or times specified for such Additional Representation.

(a) ***Basic Representations.***

(i) ***Status***. It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) ***Powers***. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) ***No Violation or Conflict***. Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) ***Consents***. All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been

complied with; and

(v) ***Obligations Binding***. Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) ***Absence of Certain Events***. No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) ***Absence of Litigation***. There is not pending or, to its knowledge, threatened against it, any of its Credit Support Providers or any of its applicable Specified Entities any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) ***Accuracy of Specified Information***. All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) ***Payer Tax Representation***. Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) ***Payee Tax Representations***. Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

(g) ***No Agency.*** It is entering into this Agreement, including each Transaction, as principal and not as agent of any person or entity.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) ***Furnish Specified Information***. It will deliver to the other party or, in certain cases under clause (iii) below, to such government or taxing authority as the other party reasonably directs:—

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) ***Maintain Authorisations***. It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) ***Comply With Laws***. It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) ***Tax Agreement***. It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) ***Payment of Stamp Tax***. Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated, organised, managed and controlled or considered to have its seat, or where an Office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction"), and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) ***Events of Default***. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes (subject to Sections 5(c) and 6(e)(iv)) an event of default (an "Event of Default") with respect to such party:—

(i) ***Failure to* Pay or *Deliver***. Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 9(h)(i)(2) or (4) required to be made by it if such failure is not remedied on or before the first Local Business Day in the case of any such payment

or the first Local Delivery Day in the case of any such delivery after, in each case, notice of such failure is given to the party;

(ii) ***Breach of Agreement; Repudiation of Agreement.***.

(1) Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 9(h)(i)(2) or (4) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied within 30 days after notice of such failure is given to the party; or

(2) the party disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, this Master Agreement, any Confirmation executed and delivered by that party or any

Transaction evidenced by such a Confirmation (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(iii) ***Credit Support Default***.

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document, or any security interest granted by such party or such Credit Support Provider to the other party pursuant to any such Credit Support Document, to be in full force and effect for the purpose of this Agreement (in each case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(iv) ***Misrepresentation***. A representation (other than a representation under Section 3(e) or 3(f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) ***Default Under Specified Transaction***. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) defaults (other than by failing to make a delivery) under a Specified Transaction or any credit support arrangement relating to a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, such default results in a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction;

(2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment due on the last payment or exchange date of, or any payment on early termination of, a Specified Transaction (or, if there is no applicable notice requirement or grace period, such default continues for at least one Local Business Day);

(3) defaults in making any delivery due under (including any delivery due on the last delivery or exchange date of) a Specified Transaction or any credit support arrangement relating to a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, such default results in a liquidation of, an acceleration of obligations under, or an early termination of, all transactions outstanding under the documentation applicable to that Specified Transaction; or

(4) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, a Specified Transaction or any credit support arrangement relating to a Specified Transaction that is, in either case, confirmed or evidenced by a document or other confirming evidence executed and delivered by that party, Credit Support Provider or Specified Entity (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) ***Cross Default.*** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of:—

(1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) where the aggregate principal amount of such agreements or instruments, either alone or together with the amount, if any, referred to in clause (2) below is not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments before it would otherwise have been due and payable; or

(2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments under such agreements or instruments on the due date for payment (after giving effect to any applicable notice requirement or grace period) in an aggregate amount, either alone or together with the amount, if any, referred to in clause (1) above, of not less than the applicable Threshold Amount;

(vii) ***Bankruptcy***. The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) ***Merger Without Assumption.*** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, or reorganises, reincorporates or reconstitutes into or as, another entity and, at the time of such consolidation, amalgamation, merger, transfer, reorganisation, reincorporation or reconstitution:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) ***Termination Events***. The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes (subject to Section 5(c)) an Illegality if the event is specified in clause (i) below, a Force Majeure Event if the event is specified in clause (ii) below, a Tax Event if the event is specified in clause (iii) below, a Tax Event Upon Merger if the event is specified in clause (iv) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to clause (v) below or an Additional Termination Event if the event is specified pursuant to clause (vi) below:—

(i) ***Illegality***. After giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, the relevant Confirmation or elsewhere in this Agreement, due to an event or circumstance (other than any action taken by a party or, if applicable, any Credit Support Provider of such party) occurring after a Transaction is entered into, it becomes unlawful under any applicable law (including without limitation the laws of any country in which payment, delivery or compliance is required by either party or any Credit Support Provider, as the case may be), on any day, or it would be unlawful if the relevant payment, delivery or compliance were required on that day (in each case, other than as a result of a breach by the party of Section 4(b)):—

(1) for the Office through which such party (which will be the Affected Party) makes and receives payments or deliveries with respect to such Transaction to perform any absolute or contingent obligation to make a payment or delivery in respect of such Transaction, to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) for such party or any Credit Support Provider of such party (which will be the Affected Party) to perform any absolute or contingent obligation to make a payment or delivery which such party or Credit Support Provider has under any Credit Support Document relating to such Transaction, to receive a payment or delivery under such Credit Support Document or to comply with any other material provision of such Credit Support Document;

(ii) ***Force Majeure Event.*** After giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, the relevant Confirmation or elsewhere in this Agreement, by reason of force majeure or act of state occurring after a Transaction is entered into, on any day:—

(1) the Office through which such party (which will be the Affected Party) makes and receives payments or deliveries with respect to such Transaction is prevented from performing any absolute or contingent obligation to make a payment or delivery in respect of such Transaction, from receiving a payment or delivery in respect of such Transaction or from complying with any other material provision of this Agreement relating to such Transaction (or would be so prevented if such payment, delivery or compliance were required on that day), or it becomes impossible or

impracticable for such Office so to perform, receive or comply (or it would be impossible or impracticable for such Office so to perform, receive or comply if such payment, delivery or compliance were required on that day); or

(2) such party or any Credit Support Provider of such party (which will be the Affected Party) is prevented from performing any absolute or contingent obligation to make a payment or delivery which such party or Credit Support Provider has under any Credit Support Document relating to such Transaction, from receiving a payment or delivery under such Credit Support Document or from complying with any other material provision of such Credit Support Document (or would be so prevented if such payment, delivery or compliance were required on that day), or it becomes impossible or impracticable for such party or Credit Support Provider so to perform, receive or comply (or it would be impossible or impracticable for such party or Credit Support Provider so to perform, receive or comply if such payment, delivery or compliance were required on that day),

so long as the force majeure or act of state is beyond the control of such Office, such party or such Credit Support Provider, as appropriate, and such Office, party or Credit Support Provider could not, after using all reasonable efforts (which will not require such party or Credit Support Provider to incur a loss, other than immaterial, incidental expenses), overcome such prevention, impossibility or impracticability;

(iii) ***Tax Event***. Due to (1) any action taken by a taxing authority, or brought in a court of competent jurisdiction, after a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (2) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Settlement Date (A) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 9(h)) or (B) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 9(h)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iv) ***Tax Event Upon Merger***. The party (the "Burdened Party") on the next succeeding Scheduled Settlement Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 9(h)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets (or any substantial part of the assets comprising the business conducted by it as of the date of this Master Agreement) to, or reorganising, reincorporating or reconstituting into or as, another entity (which will be the Affected Party) where such action does not constitute a Merger Without Assumption;

(v) ***Credit Event Upon Merger***. If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, a Designated Event (as defined below) occurs with respect to such party, any Credit Support Provider of such party or any applicable Specified Entity of such party (in each case, "X") and such Designated Event does not constitute a Merger Without Assumption, and the creditworthiness of X or, if applicable, the successor, surviving or transferee entity of X, after taking into account any applicable Credit Support Document, is materially weaker immediately after the occurrence of such Designated Event than that of X immediately prior to the occurrence of such Designated Event (and, in any such event, such party or its successor, surviving or transferee entity, as appropriate, will be the Affected Party). A "Designated Event" with respect to X means that:—

(1) X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets (or any substantial part of the assets comprising the business conducted by X as of the

date of this Master Agreement) to, or reorganises, reincorporates or reconstitutes into or as, another entity;

(2) any person, related group of persons or entity acquires directly or indirectly the beneficial ownership of (A) equity securities having the power to elect a majority of the board of directors (or its equivalent) of X or (B) any other ownership interest enabling it to exercise control of X; or

(3) X effects any substantial change in its capital structure by means of the issuance, incurrence or guarantee of debt or the issuance of (A) preferred stock or other securities convertible into or exchangeable for debt or preferred stock or (B) in the case of entities other than corporations, any other form of ownership interest; or

(vi) ***Additional Termination Event***. If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties will be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) ***Hierarchy of Events.***

(i) An event or circumstance that constitutes or gives rise to an Illegality or a Force Majeure Event will not, for so long as that is the case, also constitute or give rise to an Event of Default under Section 5(a)(i), 5(a)(ii)(1) or 5(a)(iii)(1) insofar as such event or circumstance relates to the failure to make any payment or delivery or a failure to comply with any other material provision of this Agreement or a Credit Support Document, as the case may be.

(ii) Except in circumstances contemplated by clause (i) above, if an event or circumstance which would otherwise constitute or give rise to an Illegality or a Force Majeure Event also constitutes an Event of Default or any other Termination Event, it will be treated as an Event of Default or such other Termination Event, as the case may be, and will not constitute or give rise to an Illegality or a Force Majeure Event.

(iii) If an event or circumstance which would otherwise constitute or give rise to a Force Majeure Event also constitutes an Illegality, it will be treated as an Illegality, except as described in clause (ii) above, and not a Force Majeure Event.

(d) ***Deferral of Payments and Deliveries During Waiting Period.*** If an Illegality or a Force Majeure Event has occurred and is continuing with respect to a Transaction, each payment or delivery which would otherwise be required to be made under that Transaction will be deferred to, and will not be due until:—

(i) the first Local Business Day or, in the case of a delivery, the first Local Delivery Day (or the first day that would have been a Local Business Day or Local Delivery Day, as appropriate, but for the occurrence of the event or circumstance constituting or giving rise to that Illegality or Force Majeure Event) following the end of any applicable Waiting Period in respect of that Illegality or Force Majeure Event, as the case may be; or

(ii) if earlier, the date on which the event or circumstance constituting or giving rise to that Illegality or Force Majeure Event ceases to exist or, if such date is not a Local Business Day or, in the case of a delivery, a Local Delivery Day, the first following day that is a Local Business Day or Local Delivery Day, as appropriate.

(e) ***Inability of Head or Home Office to Perform Obligations of Branch.*** If (i) an Illegality or a Force Majeure Event occurs under Section 5(b)(i)(1) or 5(b)(ii)(1) and the relevant Office is not the Affected Party's head or home office, (ii) Section 10(a) applies, (iii) the other party seeks performance of the relevant obligation or

compliance with the relevant provision by the Affected Party's head or home office and (iv) the Affected Party's head or home office fails so to perform or comply due to the occurrence of an event or circumstance which would, if that head or home office were the Office through which the Affected Party makes and receives payments and deliveries with respect to the relevant Transaction, constitute or give rise to an Illegality or a Force Majeure Event, and such failure would otherwise constitute an Event of Default under Section 5(a)(i) or 5(a)(iii)(1) with respect to such party, then, for so long as the relevant event or circumstance continues to exist with respect to both the Office referred to in Section 5(b)(i)(1) or 5(b)(ii)(1), as the case may be, and the Affected Party's head or home office, such failure will not constitute an Event of Default under Section 5(a)(i) or 5(a)(iii)(1).

6. Early Termination; Close-Out Netting

(a) ***Right to Terminate Following Event of Default.*** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) ***Right to Terminate Following Termination Event***.

(i) ***Notice***. If a Termination Event other than a Force Majeure Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction, and will also give the other party such other information about that Termination Event as the other party may reasonably require. If a Force Majeure Event occurs, each party will, promptly upon becoming aware of it, use all reasonable efforts to notify the other party, specifying the nature of that Force Majeure Event, and will also give the other party such other information about that Force Majeure Event as the other party may reasonably require.

(ii) ***Transfer to Avoid Termination Event***. If a Tax Event occurs and there is only one Affected Party or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, other than immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) ***Two Affected Parties***. If a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice of such occurrence is given under Section 6(b)(i) to avoid that Termination Event.

(iv) ***Right to Terminate***.

(1) If:—

(A) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(B) a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there are two Affected Parties, or the Non- affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, if the relevant Termination Event is then continuing, by not more than 20 days notice to the other party, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(2) If at any time an Illegality or a Force Majeure Event has occurred and is then continuing and any applicable Waiting Period has expired:—

(A) Subject to clause (B) below, either party may, by not more than 20 days notice to the other party, designate (I) a day not earlier than the day on which such notice becomes effective as an Early Termination Date in respect of all Affected Transactions or (II) by specifying in that notice the Affected Transactions in respect of which it is designating the relevant day as an Early Termination Date, a day not earlier than two Local Business Days following the day on which such notice becomes effective as an Early Termination Date in respect of less than all Affected Transactions. Upon receipt of a notice designating an Early Termination Date in respect of less than all Affected Transactions, the other party may, by notice to the designating party, if such notice is effective on or before the day so designated, designate that same day as an Early Termination Date in respect of any or all other Affected Transactions.

(B) An Affected Party (if the Illegality or Force Majeure Event relates to performance by such party or any Credit Support Provider of such party of an obligation to make any payment or delivery under, or to compliance with any other material provision of, the relevant Credit Support Document) will only have the right to designate an Early Termination Date under Section 6(b)(iv)(2)(A) as a result of an Illegality under Section 5(b)(i)(2) or a Force Majeure Event under Section 5(b)(ii)(2) following the prior designation by the other party of an Early Termination Date, pursuant to Section 6(b)(iv)(2)(A), in respect of less than all Affected Transactions.

(c) ***Effect of Designation***.

(i) If notice designating an Early Termination Date is given under Section 6(a) or 6(b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 9(h)(i) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date will be determined pursuant to Sections 6(e) and 9(h)(ii).

(d) ***Calculations; Payment Date.***

(i) ***Statement***. On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including any quotations, market data or information from internal sources used in making such calculations), (2) specifying (except where there are two Affected Parties) any Early Termination Amount payable and (3) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation or market data obtained in determining a Close-out Amount, the records of the party obtaining such quotation or market data will be conclusive evidence of the existence and accuracy of such quotation or market data.

(ii) ***Payment Date***. An Early Termination Amount due in respect of any Early Termination Date will, together with any amount of interest payable pursuant to Section 9(h)(ii)(2), be payable (1) on the day on which notice of the amount payable is effective in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default and (2) on the day which is two Local Business Days after the day on which notice of the amount payable is effective (or, if there are two Affected Parties, after the day on which the statement provided pursuant to clause (i) above by the second party to provide such a statement is effective) in the case of an Early Termination Date which is designated as a result of a Termination Event.

(e) ***Payments on Early Termination***. If an Early Termination Date occurs, the amount, if any, payable in respect of that Early Termination Date (the "Early Termination Amount") will be determined pursuant to this Section 6(e) and will be subject to Section 6(f).

(i) ***Events of Default***. If the Early Termination Date results from an Event of Default, the Early Termination Amount will be an amount equal to (1) the sum of (A) the Termination Currency Equivalent of the Close-out Amount or Close-out Amounts (whether positive or negative) determined by the Non- defaulting Party for each Terminated Transaction or group of Terminated Transactions, as the case may be, and (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (2) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If the Early Termination Amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of the Early Termination Amount to the Defaulting Party.

(ii) ***Termination Events.*** If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party.* Subject to clause (3) below, if there is one Affected Party, the Early Termination Amount will be determined in accordance with Section 6(e)(i), except that references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and to the Non-affected Party, respectively.

(2) *Two Affected Parties.* Subject to clause (3) below, if there are two Affected Parties, each party will determine an amount equal to the Termination Currency Equivalent of the sum of the Close-out Amount or Close-out Amounts (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions, as the case may be, and the Early Termination Amount will be an amount equal to (A) the sum of (I) one-half of the difference between the higher amount so determined (by party "X") and the lower amount so determined (by party "Y") and (II) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to Y. If the Early Termination Amount is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of the Early Termination Amount to Y.

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(3) *Mid-Market Events.* If that Termination Event is an Illegality or a Force Majeure Event, then the Early Termination Amount will be determined in accordance with clause (1) or (2) above, as appropriate, except that, for the purpose of determining a Close-out Amount or

Close-out Amounts, the Determining Party will:—

(A) if obtaining quotations from one or more third parties (or from any of the Determining Party's Affiliates), ask each third party or Affiliate (I) not to take account of the current creditworthiness of the Determining Party or any existing Credit Support Document and (II) to provide mid-market quotations; and

(B) in any other case, use mid market values without regard to the creditworthiness of the Determining Party.

(iii) ***Adjustment for Bankruptcy***. In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the Early Termination Amount will be subject to such adjustments as are appropriate and permitted by applicable law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) ***Adjustment for Illegality or Force Majeure Event.*** The failure by a party or any Credit Support Provider of such party to pay, when due, any Early Termination Amount will not constitute an Event of Default under Section 5(a)(i) or 5(a)(iii)(1) if such failure is due to the occurrence of an event or circumstance which would, if it occurred with respect to payment, delivery or compliance related to a Transaction, constitute or give rise to an Illegality or a Force Majeure Event. Such amount will (1) accrue interest and otherwise be treated as an Unpaid Amount owing to the other party if subsequently an Early Termination Date results from an Event of Default, a Credit Event Upon Merger or an Additional Termination Event in respect of which all outstanding Transactions are Affected Transactions and (2) otherwise accrue interest in accordance with Section 9(h)(ii)(2).

(v) ***Pre-Estimate***. The parties agree that an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks, and, except as otherwise provided in this Agreement, neither party will be entitled to recover any additional damages as a consequence of the termination of the Terminated Transactions.

(f) ***Set-Off.*** Any Early Termination Amount payable to one party (the "Payee") by the other party (the "Payer"), in circumstances where there is a Defaulting Party or where there is one Affected Party in the case where either a Credit Event Upon Merger has occurred or any other Termination Event in respect of which all outstanding Transactions are Affected Transactions has occurred, will, at the option of the Non-defaulting Party or the Non- affected Party, as the case may be ("X") (and without prior notice to the Defaulting Party or the Affected Party, as the case may be), be reduced by its set-off against any other amounts ("Other Amounts") payable by the Payee to the Payer (whether or not arising under this Agreement, matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation). To the extent that any Other Amounts are so set off, those Other Amounts will be discharged promptly and in all respects. X will give notice to the other party of any set-off effected under this Section 6(f).

For this purpose, either the Early Termination Amount or the Other Amounts (or the relevant portion of such amounts) may be converted by X into the currency in which the other is denominated at the rate of exchange at which such party would be able, in good faith and using commercially reasonable procedures, to purchase the relevant amount of such currency.

If an obligation is unascertained, X may in good faith estimate that obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

Nothing in this Section 6(f) will be effective to create a charge or other security interest. This Section 6(f) will be without prejudice and in addition to any right of set-off, offset, combination of accounts, lien, right of retention or withholding or similar right or requirement to which any party is at any time otherwise entitled or subject (whether by operation of law, contract or otherwise).

7. Transfer

Subject to Section 6(b)(ii), and to the extent permitted by applicable law, neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any Early Termination Amount payable to it by a Defaulting Party, together with any amounts payable on or with respect to that interest and any other rights associated with that interest pursuant to Sections 8, 9(h) and 11.

Any purported transfer that is not in compliance with this Section 7 will be void.

8. Contractual Currency

(a) ***Payment in the Contractual Currency***. Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in good faith and using commercially reasonable procedures in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) ***Judgments***. To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in clause (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to

receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purpose of such judgment or order and the rate of exchange at which such party is able, acting in good faith and using

commercially reasonable procedures in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party.

(c) ***Separate Indemnities***. To the extent permitted by applicable law, the indemnities in this Section 8 constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) ***Evidence of Loss***. For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

(a) ***Entire Agreement***. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter. Each of the parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.

(b) ***Amendments***. An amendment, modification or waiver in respect of this Agreement will only be effective if in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system.

(c) ***Survival of Obligations***. Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) ***Remedies Cumulative***. Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) ***Counterparts and Confirmations***.

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission and by electronic messaging system), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation will be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes, by an exchange of electronic messages on an electronic messaging system or by an exchange of e-mails, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex, electronic message or e-mail constitutes a Confirmation.

(f) ***No Waiver of Rights***. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) ***Headings***. The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

(h) ***Interest and Compensation.***

(i) ***Prior to Early Termination.*** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction:—

(1) *Interest on Defaulted Payments.* If a party defaults in the performance of any payment obligation, it will, to the extent permitted by applicable law and subject to Section 6(c), pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as the overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment (and excluding any period in respect of which interest or compensation in respect of the overdue amount is due pursuant to clause (3)(B) or (C) below), at the Default Rate.

(2) *Compensation for Defaulted Deliveries.* If a party defaults in the performance of any obligation required to be settled by delivery, it will on demand (A) compensate the other party to the extent provided for in the relevant Confirmation or elsewhere in this Agreement and (B) unless otherwise provided in the relevant Confirmation or elsewhere in this Agreement, to the extent permitted by applicable law and subject to Section 6(c), pay to the other party interest (before as well as after judgment) on an amount equal to the fair market value of that which was required to be delivered in the same currency as that amount, for the period from (and including) the originally scheduled

date for delivery to (but excluding) the date of actual delivery (and excluding any period in respect of which interest or compensation in respect of that amount is due pursuant to clause (4) below), at the Default Rate. The fair market value of any obligation referred to above will be determined as of the originally scheduled date for delivery, in good faith and using commercially reasonable procedures, by the party that was entitled to take delivery.

(3) *Interest on Deferred Payments.* If:—

(A) a party does not pay any amount that, but for Section 2(a)(iii), would have been payable, it will, to the extent permitted by applicable law and subject to Section 6(c) and clauses (B) and (C) below, pay interest (before as well as after judgment) on that amount to the other party on demand (after such amount becomes payable) in the same currency as that amount, for the period from (and including) the date the amount would, but for Section 2(a)(iii), have been payable to (but excluding) the date the amount actually becomes payable, at the Applicable Deferral Rate;

(B) a payment is deferred pursuant to Section 5(d), the party which would otherwise have been required to make that payment will, to the extent permitted by applicable law, subject to Section 6(c) and for so long as no Event of Default or Potential Event of Default with respect to that party has occurred and is continuing, pay interest (before as well as after judgment) on the amount of the deferred payment to the other party on demand (after such amount becomes payable) in the same currency as the deferred payment, for the period from (and including) the date the amount would, but for Section 5(d), have been payable to (but excluding) the earlier of the date the payment is no longer deferred pursuant to Section 5(d) and the date during the deferral period upon which an Event of Default or Potential Event of Default with respect to that party occurs, at the Applicable Deferral Rate; or

(C) a party fails to make any payment due to the occurrence of an Illegality or a Force Majeure Event (after giving effect to any deferral period contemplated by clause (B) above), it will, to the extent permitted by applicable law, subject to Section 6(c) and for so long as the event or circumstance giving rise to that Illegality or Force Majeure Event

continues and no Event of Default or Potential Event of Default with respect to that party has occurred and is continuing, pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as the overdue amount, for the period from (and including) the date the party fails to make the payment due to the occurrence of the relevant Illegality or Force Majeure Event (or, if later, the date the payment is no longer deferred pursuant to Section 5(d)) to (but excluding) the earlier of the date the event or circumstance giving rise to that Illegality or Force Majeure Event ceases to exist and the date during the period upon which an Event of Default or Potential Event of Default with respect to that party occurs (and excluding any period in respect of which interest or compensation in respect of the overdue amount is due pursuant to clause (B) above), at the Applicable Deferral Rate.

(4) *Compensation for Deferred Deliveries.* If:—

(A) a party does not perform any obligation that, but for Section 2(a)(iii), would have been required to be settled by delivery;

(B) a delivery is deferred pursuant to Section 5(d); or

(C) a party fails to make a delivery due to the occurrence of an Illegality or a Force Majeure Event at a time when any applicable Waiting Period has expired,

the party required (or that would otherwise have been required) to make the delivery will, to the extent permitted by applicable law and subject to Section 6(c), compensate and pay interest to the other party on demand (after, in the case of clauses (A) and (B) above, such delivery is required) if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement

(ii) ***Early Termination.*** Upon the occurrence or effective designation of an Early Termination Date in respect of a Transaction:—

(1) *Unpaid Amounts.* For the purpose of determining an Unpaid Amount in respect of the relevant Transaction, and to the extent permitted by applicable law, interest will accrue on the amount of any payment obligation or the amount equal to the fair market value of any obligation required to be settled by delivery included in such determination in the same currency as that amount, for the period from (and including) the date the relevant obligation was (or would have been but for Section 2(a)(iii) or 5(d)) required to have been performed to (but excluding) the relevant Early Termination Date, at the Applicable Close-out Rate.

(2) *Interest on Early Termination Amounts.* If an Early Termination Amount is due in respect of such Early Termination Date, that amount will, to the extent permitted by applicable law, be paid together with interest (before as well as after judgment) on that amount in the Termination Currency, for the period from (and including) such Early Termination Date to (but excluding) the date the amount is paid, at the Applicable Close-out Rate.

(iii) ***Interest Calculation.*** Any interest pursuant to this Section 9(h) will be calculated on the basis of daily compounding and the actual number of days elapsed.

10. Offices; Multibranch Parties

(a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to and agrees with the other party that, notwithstanding the place of booking or its jurisdiction of incorporation or organisation, its obligations are the same in terms of recourse against it as if it had entered into the Transaction through its head or home office, except that a party will not

have recourse to the head or home office of the other party in respect of any payment or delivery deferred pursuant to Section 5(d) for so long as the payment or delivery is so deferred. This representation and agreement will be deemed to be repeated by each party on each date on which the parties enter into a Transaction.

(b) If a party is specified as a Multibranch Party in the Schedule, such party may, subject to clause (c) below, enter into a Transaction through, book a Transaction in and make and receive payments and deliveries with respect to a Transaction through any Office listed in respect of that party in the Schedule (but not any other Office unless otherwise agreed by the parties in writing).

(c) The Office through which a party enters into a Transaction will be the Office specified for that party in the relevant Confirmation or as otherwise agreed by the parties in writing, and, if an Office for that party is not specified in the Confirmation or otherwise agreed by the parties in writing, its head or home office. Unless the parties otherwise agree in writing, the Office through which a party enters into a Transaction will also be the Office in which it books the Transaction and the Office through which it makes and receives payments and deliveries with respect to the Transaction. Subject to Section 6(b)(ii), neither party may change the Office in which it books the Transaction or the Office through which it makes and receives payments or deliveries with respect to a Transaction without the prior written consent of the other party.

11. Expenses

A Defaulting Party will on demand indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, execution fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) ***Effectiveness***. Any notice or other communication in respect of this Agreement may be given in any manner described below (except that a notice or other communication under Section 5 or 6 may not be given by electronic messaging system or e-mail) to the address or number or in accordance with the electronic messaging system or e-mail details provided (see the Schedule) and will be deemed effective as indicated:—

(i) if in writing and delivered in person or by courier, on the date it is delivered;

(ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date it is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date it is delivered or its delivery is attempted;

(v) if sent by electronic messaging system, on the date it is received; or

(vi) if sent by e-mail, on the date it is delivered,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication will be deemed given and effective on the first following day that is a Local Business Day.

(b) ***Change of Details***. Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system or e-mail details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) ***Governing Law***. This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) ***Jurisdiction***. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Agreement ("Proceedings"), each party irrevocably:—

(i) submits:—

(1) if this Agreement is expressed to be governed by English law, to (A) the non-exclusive jurisdiction of the English courts if the Proceedings do not involve a Convention Court and (B) the exclusive jurisdiction of the English courts if the Proceedings do involve a Convention Court; or

(2) if this Agreement is expressed to be governed by the laws of the State of New York, to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City;

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party; and

(iii) agrees, to the extent permitted by applicable law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction.

(c) ***Service of Process***. Each party irrevocably appoints the Process Agent, if any, specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12(a)(i), 12(a)(iii) or 12(a)(iv). Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by applicable law.

(d) ***Waiver of Immunities***. Each party irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, or order for specific performance or recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

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14. Definitions

As used in this Agreement:—

"Additional Representation" has the meaning specified in Section 3.

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, Force Majeure Event Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event (which, in the case of an Illegality under Section 5(b)(i)(2) or a Force Majeure Event under Section 5(b)(ii)(2), means all Transactions unless the relevant Credit Support Document references only certain Transactions, in which case those Transactions and, if the relevant Credit Support Document constitutes a Confirmation for a Transaction, that Transaction) and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Agreement" has the meaning specified in Section 1(c).

"Applicable Close-out Rate" means:—

(a) in respect of the determination of an Unpaid Amount:—

(i) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(ii) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate;

(iii) in respect of obligations deferred pursuant to Section 5(d), if there is no Defaulting Party and for so long as the deferral period continues, the Applicable Deferral Rate; and

(iv) in all other cases following the occurrence of a Termination Event (except where interest accrues pursuant to clause (iii) above), the Applicable Deferral Rate; and

(b) in respect of an Early Termination Amount:—

(i) for the period from (and including) the relevant Early Termination Date to (but excluding) the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable:—

(1) if the Early Termination Amount is payable by a Defaulting Party, the Default Rate;

(2) if the Early Termination Amount is payable by a Non-defaulting Party, the Non-default Rate; and

(3) in all other cases, the Applicable Deferral Rate; and

(ii) for the period from (and including) the date (determined in accordance with Section 6(d)(ii) on which that amount is payable to (but excluding) the date of actual payment:—

(1) if a party fails to pay the Early Termination Amount due to the occurrence of an event or circumstance which would, if it occurred with respect to a payment or delivery under a Transaction, constitute or give rise to an Illegality or a Force Majeure Event, and for so long as the Early Termination Amount remains unpaid due to the continuing existence of such event or circumstance, the Applicable Deferral Rate;

(2) if the Early Termination Amount is payable by a Defaulting Party (but excluding any period in respect of which clause (1) above applies), the Default Rate;

(3) if the Early Termination Amount is payable by a Non-defaulting Party (but excluding any period in respect of which clause (1) above applies), the Non-default Rate; and

(4) in all other cases, the Termination Rate.

"***Applicable Deferral Rate***" means:—

(a) for the purpose of Section 9(h)(i)(3)(A), the rate certified by the relevant payer to be a rate offered to the payer by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by the payer for the purpose of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in that relevant market;

(b) for purposes of Section 9(h)(i)(3)(B) and clause (a)(iii) of the definition of Applicable Close-out Rate, the rate certified by the relevant payer to be a rate offered to prime banks by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by the payer after consultation with the other party, if practicable, for the purpose of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in that relevant market; and

(c) for purposes of Section 9(h)(i)(3)(C) and clauses (a)(iv), (b)(i)(3) and (b)(ii)(1) of the definition of Applicable Close-out Rate, a rate equal to the arithmetic mean of the rate determined pursuant to clause (a) above and a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount.

"Automatic Early Termination" has the meaning specified in Section 6(a).

"Burdened Party" has the meaning specified in Section 5(b)(iv).

"Change in Tax Law" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs after the parties enter into the relevant Transaction.

"Close-out Amount" means, with respect to each Terminated Transaction or each group of Terminated Transactions and a Determining Party, the amount of the losses or costs of the Determining Party that are or would be incurred under then prevailing circumstances (expressed as a positive number) or gains of the Determining Party that are or would be realised under then prevailing circumstances (expressed as a negative number) in replacing, or in providing for the Determining Party the economic equivalent of, (a) the material terms of that Terminated Transaction or group of Terminated Transactions, including the payments and deliveries by the parties under Section 2(a)(i) in respect of that Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date (assuming satisfaction of the conditions precedent in

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Section 2(a)(iii)) and (b) the option rights of the parties in respect of that Terminated Transaction or group of Terminated Transactions.

Any Close-out Amount will be determined by the Determining Party (or its agent), which will act in good faith and use commercially reasonable procedures in order to produce a commercially reasonable result. The Determining Party may determine a Close-out Amount for any group of Terminated Transactions or any individual Terminated Transaction but, in the aggregate, for not less than all Terminated Transactions. Each Close-out Amount will be determined as of the Early Termination Date or, if that would not be commercially reasonable, as of the date or dates following the Early Termination Date as would be commercially reasonable.

Unpaid Amounts in respect of a Terminated Transaction or group of Terminated Transactions and legal fees and out- of-pocket expenses referred to in Section 11 are to be excluded in all determinations of Close-out Amounts.

In determining a Close-out Amount, the Determining Party may consider any relevant information, including, without limitation, one or more of the following types of information:—

(i) quotations (either firm or indicative) for replacement transactions supplied by one or more third parties that may take into account the creditworthiness of the Determining Party at the time the quotation is provided and the terms of any relevant documentation, including credit support documentation, between the Determining Party and the third party providing the quotation;

(ii) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or

(iii) information of the types described in clause (i) or (ii) above from internal sources (including any of the Determining Party's Affiliates) if that information is of the same type used by the Determining Party in the regular course of its business for the valuation of similar transactions.

The Determining Party will consider, taking into account the standards and procedures described in this definition, quotations pursuant to clause (i) above or relevant market data pursuant to clause (ii) above unless the Determining Party reasonably believes in good faith that such quotations or relevant market data are not readily available or would produce a result that would not satisfy those standards. When considering information described in clause (i), (ii) or (iii) above, the Determining Party may include costs of funding, to the extent costs of funding are not and would not be a component of the other information being utilised. Third parties supplying quotations pursuant to clause (i) above or market data pursuant to clause (ii) above may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other sources of market information.

Without duplication of amounts calculated based on information described in clause (i), (ii) or (iii) above, or other relevant information, and when it is commercially reasonable to do so, the Determining Party may in addition consider in calculating a Close-out Amount any loss or cost incurred in connection with its terminating, liquidating or re-establishing any hedge related to a Terminated Transaction or group of Terminated Transactions (or any gain resulting from any of them).

Commercially reasonable procedures used in determining a Close-out Amount may include the following:—

(1) application to relevant market data from third parties pursuant to clause (ii) above or information from internal sources pursuant to clause (iii) above of pricing or other valuation models that are, at the time of the determination of the Close-out Amount, used by the Determining Party in the regular course of its business in pricing or valuing transactions between the Determining Party and unrelated third parties that are similar to the Terminated Transaction or group of Terminated Transactions; and

(2) application of different valuation methods to Terminated Transactions or groups of Terminated Transactions depending on the type, complexity, size or number of the Terminated Transactions or group of Terminated Transactions.

"Confirmation" has the meaning specified in the preamble.

"consent" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"Contractual Currency" has the meaning specified in Section 8(a).

"Convention Court" means any court which is bound to apply to the Proceedings either Article 17 of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters or Article 17 of the 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Cross-Default" means the event specified in Section 5(a)(vi).

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Designated Event" has the meaning specified in Section 5(b)(v).

"Determining Party" means the party determining a Close-out Amount.

"Early Termination Amount" has the meaning specified in Section 6(e).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iv).

"electronic messages" does not include e-mails but does include documents expressed in markup languages, and ***"electronic messaging system"*** will be construed accordingly.

"English law" means the law of England and Wales, and ***"English"*** will be construed accordingly.

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Force Majeure Event" has the meaning specified in Section 5(b).

"General Business Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits).

"Illegality" has the meaning specified in Section 5(b).

"Indemnifiable Tax" means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

"law" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority), and ***"unlawful"*** will be construed accordingly.

"Local Business Day" means (a) in relation to any obligation under Section 2(a)(i), a General Business Day in the place or places specified in the relevant Confirmation and a day on which a relevant settlement system is open or operating as specified in the relevant Confirmation or, if a place or a settlement

system is not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) for the purpose of determining when a Waiting Period expires, a General Business Day in the place where the event or circumstance that constitutes or gives rise to the Illegality or Force Majeure Event, as the case may be, occurs, (c) in relation to any other payment, a General Business Day in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment, and, if that currency does not have a single recognised principal financial centre, a day on which the settlement system necessary to accomplish such payment is open, (d) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), a General Business Day (or a day that would have been a General Business Day but for the occurrence of an event or circumstance which would, if it occurred with respect to payment, delivery or compliance related to a Transaction, constitute or give rise to an Illegality or a Force Majeure Event) in the place specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (e) in relation to Section 5(a)(v)(2), a General Business Day in the relevant locations for performance with respect to such Specified Transaction.

"Local Delivery Day" means, for purposes of Sections 5(a)(i) and 5(d), a day on which settlement systems necessary to accomplish the relevant delivery are generally open for business so that the delivery is capable of being accomplished in accordance with customary market practice, in the place specified in the relevant Confirmation or, if not so specified, in a location as determined in accordance with customary market practice for the relevant delivery.

"Master Agreement" has the meaning specified in the preamble.

"Merger Without Assumption" means the event specified in Section 5(a)(viii).

"Multiple Transaction Payment Netting" has the meaning specified in Section 2(c).

"Non-affected Party" means, so long as there is only one Affected Party, the other party.

"Non-default Rate" means the rate certified by the Non-defaulting Party to be a rate offered to the Non-defaulting Party by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by the Non-defaulting Party for the purpose of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in that relevant market.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Office" means a branch or office of a party, which may be such party's head or home office.

"Other Amounts" has the meaning specified in Section 6(f).

"Payee" has the meaning specified in Section 6(f).

"Payer" has the meaning specified in Section 6(f).

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Proceedings" has the meaning specified in Section 13(b).

"Process Agent" has the meaning specified in the Schedule.

"rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

"Relevant Jurisdiction" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

"Schedule" has the meaning specified in the preamble.

"Scheduled Settlement Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect to any such transaction) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is not a Transaction under this Agreement but (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against

which payments or deliveries are to be made, (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Stamp Tax" means any stamp, registration, documentation or similar tax.

"Stamp Tax Jurisdiction" has the meaning specified in Section 4(e).

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"Tax Event" has the meaning specified in Section 5(b).

"Tax Event Upon Merger" has the meaning specified in Section 5(b).

"Terminated Transactions" means, with respect to any Early Termination Date (a) if resulting from an Illegality or a Force Majeure Event, all Affected Transactions specified in the notice given pursuant to Section 6(b)(iv), (b) if resulting from any other Termination Event, all Affected Transactions and (c) if resulting from an Event of Default, all Transactions in effect either immediately before the effectiveness of the notice designating that Early Termination Date or, if Automatic Early Termination applies, immediately before that Early Termination Date.

"Termination Currency" means (a) if a Termination Currency is specified in the Schedule and that currency is freely available, that currency, and (b) otherwise, euro if this Agreement is expressed to be governed by English law or United States Dollars if this Agreement is expressed to be governed by the laws of the State of New York.

"Termination Currency Equivalent" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Close-out Amount is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"Termination Event" means an Illegality, a Force Majeure Event, a Tax Event, a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Threshold Amount" means the amount, if any, specified as such in the Schedule.

"Transaction" has the meaning specified in the preamble.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii) or due but for Section 5(d)) to such party under Section 2(a)(i) or 2(d)(i)(4) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date, (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii) or 5(d)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered and (c) if the Early Termination Date results from an Event of Default, a Credit Event Upon Merger or an Additional Termination Event in respect of which all outstanding Transactions are Affected Transactions, any Early Termination Amount due prior to such Early Termination Date and which remains unpaid as of such Early Termination Date, in each case together with any amount of interest accrued or other

compensation in respect of that obligation or deferred obligation, as the case may be, pursuant to Section 9(h)(ii)(1) or (2), as appropriate. The fair market value of any obligation referred to in clause (b) above will be determined as of the originally scheduled date for delivery, in good faith and using commercially reasonable procedures, by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it will be the average of the Termination Currency Equivalents of the fair market values so determined by both parties.

"Waiting Period" means:—

(a) in respect of an event or circumstance under Section 5(b)(i), other than in the case of Section 5(b)(i)(2) where the relevant payment, delivery or compliance is actually required on the relevant day (in which case no Waiting Period will apply), a period of three Local Business Days (or days that would have been Local Business Days but for the occurrence of that event or circumstance) following the occurrence of that event or circumstance; and

(b) in respect of an event or circumstance under Section 5(b)(ii), other than in the case of Section 5(b)(ii)(2) where the relevant payment, delivery or compliance is actually required on the relevant day (in which case no Waiting Period will apply), a period of eight Local Business Days (or days that would have been Local Business Days but for the occurrence of that event or circumstance) following the occurrence of that event or circumstance.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

JPMORGAN CHASE BANK NATIONAL ASSOCIATION	**TRIMAS CORPORATION**
By: /s/ Melissa McMahon	By: /s/ Robert J. Zalupski
Name: Melissa McMahon	Name: Robert J. Zalupski
Title: Managing Director and Associate General Counsel	Title: VP Finance & Treasurer
Date: 6/9/08	Date: 4/28/08

SCHEDULE
to the
2002 MASTER AGREEMENT

dated as of April 29, 2008

between

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (“Party A”)	**and**	**TRIMAS CORPORATION (“Party B”)**

PART 1

Termination Provisions

(1) **“Specified Entity”** means, in relation to Party A, for the purpose of:

Section 5(a)(v), any Affiliate of Party A;

Section 5(a)(vi), none;

Section 5(a)(vii), none; and

Section 5(b)(v), none;

and, in relation to Party B, for the purpose of:

Section 5(a)(v), any Affiliate of Party B;

Section 5(a)(vi), none;

Section 5(a)(vii), none; and

Section 5(b)(v), none.

(2) **“Specified Transaction”** will have the meaning specified in Section 14 of this Agreement.

(3) The **“Cross-Default”** provisions of Section 5(a)(vi) will apply to Party A and Party B, and for such purpose:

(a) **“Specified Indebtedness”** will have the meaning specified in Section 14 of this Agreement, except that such term shall not include obligations in

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respect of deposits received in the ordinary course of a party’s banking business.

(b) **“Threshold Amount”** means, with respect to Party A, an amount equal to three percent of the shareholders’ equity of Party A; and with respect to Party B, USD 15,000,000, or the equivalent thereof in any other currency or currencies.

(c) Section 5(a)(vi) of this Agreement will be deemed to be amended to include the following at the end thereof:

“Notwithstanding the foregoing, a default under subsection (1) or (2) hereof shall not constitute an Event of Default if (i) the default was caused solely by error or omission of an administrative or operational nature; (ii) funds were available to enable the party to make the payment when due; and (iii) the payment is made within three Local Business Days of such failure to pay.”

(4) The **“Credit Event Upon Merger”** provisions of Section 5(b)(v) will not apply to Party A. The **“Credit Event Upon Merger”** provisions of Section 5(b)(v) will apply to Party B.

(5) The **"Automatic Early Termination"** provision of Section 6(a) will not apply to Party A or Party B.

(6) **"Termination Currency"** will have the meaning set forth in Section 14 of this Agreement.

(7) **Additional Termination Event** will apply. The following will constitute an Additional Termination Event with respect to Party B as the Affected Party:

The obligations of Party B under this Agreement cease to be equally and ratable secured and/or guaranteed with the obligations of Party B under the Credit Agreement (as defined below).

(8) **Additional Condition Precedent.** For the purposes of Section 2(a)(iii) it shall be a condition precedent that no Additional Termination Event with respect to the other party shall have occurred and be continuing.

PART 2
Tax Representations

(1) Payer Tax Representations. For the purpose of Section 3(e) of this Agreement, Party A and Party B each hereby make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 9(h) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement, except that it will not be a breach of this representation where reliance is placed on clause (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(2) Payee Tax Representations. For the purpose of Section 3(f) of this Agreement, Party A and Party B each hereby make the following representations:

It is a United States Person for U.S. federal income tax purposes and either (a) is a financial institution or (b) is not acting as an agent for a person that is not a United States Person for U.S. federal income tax purposes.

PART 3
Agreement to Deliver Documents

For the purpose of Sections 4(a)(i) and 4(a)(ii) of this Agreement, each party agrees to deliver the following documents:

(a) Tax forms, documents or certificates to be delivered are:

Party B agrees to deliver a complete and accurate United States Internal Revenue Service Form W-9 (or any applicable successor form), in a manner reasonably satisfactory to Party A, (I) upon execution of this Agreement; (II) promptly upon reasonable demand of Party A, and (III) promptly upon learning that any such form previously provided by Party B has become obsolete or incorrect (and each such form is hereby identified for purposes of Section 3(d) of this Agreement).

(b) Other documents to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party B	Annual Report of Party B and of its Credit Support Provider (as applicable) containing consolidated financial statements certified by independent certified public accountants and prepared in accordance with accounting principles that are generally accepted in the country or countries in which Party B and its Credit Support Provider (as applicable) is organized	Upon request	Yes
Party B	Unaudited consolidated financial statements of Party B and of its Credit Support Provider (as applicable) for a fiscal quarter prepared in accordance with accounting principles that are generally accepted in the country or countries in which Party B and its Credit Support Provider (as applicable) is organized	Upon request	Yes
Party B	Certified copies of all corporate authorizations and any other documents with respect to the execution, delivery and performance of this Agreement	Upon execution and delivery of this Agreement	Yes

Party A and Party B	Certificate of authority and specimen signatures of individuals executing this Agreement, Confirmations and each Credit Support Document (as applicable)	Upon execution and delivery of this Agreement and thereafter upon request of the other party	Yes

PART 4
Miscellaneous

(1) **Addresses for Notices**. For the purpose of Section 12(a) of this Agreement:

Address for notice or communications to Party A:

Any notice relating to a particular Transaction shall be delivered to the address or facsimile number specified in the Confirmation of such Transaction. Any notice delivered for purposes of Sections 5 and 6 of this Agreement shall be delivered to the following address:

JPMorgan Chase Bank, National Association
Attention: Legal Department- Derivatives Practice Group
270 Park Avenue
New York, New York 10017-2070
Facsimile No.: (212) 270-3625

Address for notice or communications to Party B:

TriMas Corporation
39400 Woodward Avenue, Ste 130
Bloomfield Hills, MI 48304
Attention: Joshua Sherbin, General Counsel
Phone: 248-631-5497
Fax: 248-631-5413
M: 248-802-4301
E-mail: joshsherbin@trimascorp.com

(2) **Process Agent**. For the purpose of Section 13(c) of this Agreement:

Party A appoints as its Process Agent: Not applicable.
Party B appoints as its Process Agent: Not applicable.

(3) **Offices**. The provisions of Section 10(a) will apply to this Agreement.

(4) **Multibranch Party**. For the purpose of Section 10 of this Agreement:

Party A is a Multibranch Party and may act through any Office specified in a Confirmation.

Party B is not a Multibranch Party.

(5) **Credit Support Document**.

The “Security Documents” (as defined in the Credit Agreement) shall constitute “Credit Support Documents” in relation to all of the obligations of Party B and for all purposes of this Agreement.

(6) **Credit Support Provider**.

Credit Support Provider means, in relation to Party A, not applicable.

Credit Support Provider means, in relation to Party B, the “guarantors” (as defined in the Credit Agreement).

(7) **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

(8) **Netting of Payments**. “Multiple Transaction Payment Netting” will apply for the purpose of Section 2(c) of this Agreement to all Transactions starting from the date of this Agreement.

(9) **“Affiliate”** will have the meaning specified in Section 14 of this Agreement.

(10) **Absence of Litigation**. For the purpose of Section 3(c) of this Agreement:

“Specified Entity” means, in relation to Party A, any Affiliate of Party A.

"**Specified Entity"** means, in relation to Party B, any Affiliate of Party B.

(11) **No Agency**. The provisions of Section 3(g) of this Agreement will apply to this Agreement.

(12) **Additional Representation** will apply. For the purpose of Section 3 of this Agreement, the following will each constitute an Additional Representation:

(h) **Relationship Between Parties**. Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(i) **Non-Reliance**. It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a

recommendation to enter into that Transaction, it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(ii) **Assessment and Understanding**. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

(iii) **Status of Parties**. The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

(iv) **Other Transactions**. It understands and acknowledges that the other party may, either in connection with entering into a Transaction or from time to time thereafter, engage in open market transactions that are designed to hedge or reduce the risks incurred by it in connection with such Transaction and that the effect of such open market transactions may be to affect or reduce the value of such Transaction.

(13) **Eligible Contract Participant.** Each party represents to the other party (which representation will be deemed to be repeated by each party on each date on which a Transaction is entered into) that it is an "eligible contract participant", as defined in the Commodity Futures Modernization Act of 2000.

(14) **Recording of Conversations**. Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

PART 5
Other Provisions

(1) **Waiver of Jury Trial**. **Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to this Agreement or any Credit Support Document. Each party (i) certifies that no representative, agent or attorney of the other party or any Credit Support Provider has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Agreement and provide for any Credit Support Document, as applicable, by, among other things, the mutual waivers and certifications in this Section.**

(2) **ISDA Definitions**. Reference is hereby made to the 2006 ISDA Definitions (the "2006 Definitions") and the 1998 FX and Currency Option Definitions (the "FX Definitions") (collectively the "ISDA Definitions") each as published by the International Swaps and Derivatives Association, Inc., which are hereby incorporated by reference herein. Any terms used and not otherwise defined herein which are contained in the ISDA Definitions shall have the meaning set forth therein.

(3) **Scope of Agreement**. Notwithstanding anything contained in this Agreement to the contrary, any transaction (other than a repurchase transaction, reverse repurchase transaction, buy/sell-back transaction or securities lending transaction) which may otherwise constitute a "Specified Transaction" (without regard to the phrase "which is not a Transaction under this Agreement but" in the definition of "Specified Transaction") for purposes of this Agreement which has been or will be entered into between the parties shall constitute a "Transaction" which is subject to, governed by, and construed in accordance with the terms of this Agreement, unless any Confirmation with respect to a Transaction entered into after the execution of this Agreement expressly provides otherwise.

(4) **Inconsistency**. In the event of any inconsistency between any of the following documents, the relevant document first listed below shall govern: (i) a Confirmation; (ii) the Schedule and Paragraph 11 or Paragraph 13 of an ISDA Credit Support Annex (as applicable); (iii) the ISDA Definitions; and (iv) the printed form of ISDA Master Agreement and ISDA Credit Support Annex (as applicable). In the event of any inconsistency between provisions contained in the 2006 Definitions and the FX Definitions, the FX Definitions shall prevail.

(5) **Amendment to Section 6(f); Set-Off**. Section 6(f) of this Agreement shall be amended by adding the following language immediately following the last line of Section 6(f):

"Notwithstanding anything to the contrary set forth in this Agreement, a party (the "Delivering Party") may, in its discretion, satisfy, in whole or in part, any payment obligation arising under Section 6 in respect of any Early Termination Date which is designated or occurs as a result of an Event of Default in respect of which the other party is the Defaulting Party or which is designated as a result of a Termination Event in respect of which the other party is the sole Affected Party by delivering to such other party (the "Receiving Party"), or for the account of the Receiving Party, bond(s), note(s), or other debt instrument(s) issued or guaranteed by the Receiving Party and owned or held legally or beneficially by or on behalf of the Delivering Party in a face amount equal to the entirety or relevant part, as the case may be, of the amount of such payment obligation. Any bond, note, or other debt instrument denominated in a currency other than the Termination Currency shall, for this purpose, be valued in an amount of Termination Currency determined by the Delivering Party based upon a currency exchange rate determined in a commercially reasonable manner. Any delivery by a Delivering Party shall be made in the manner customary for the relevant bond, note, or debt instrument (including, without limitation, through a depository institution or clearance system) or, if the Delivering Party deems such delivery to be impractical, in a commercially reasonable manner determined by the Delivering Party.

(6) "**Credit Agreement**" means the Credit Agreement, dated as of June 6, 2002, as Amended and Restated as of August 2, 2006, among TriMas Corporation, TriMas Company LLC, the Subsidiary Term Borrowers party thereto, the Foreign Subsidiary Borrowers party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, and Comerica Bank, as Syndication Agent, as amended, amended and restated, supplemented, extended, replaced or otherwise modified from time to time; provided that if the obligations under the Credit Agreement are paid in full, the Credit Agreement is otherwise terminated or canceled, or Party A shall for any reason cease to remain a party thereto, Credit Agreement means the Credit Agreement as it existed immediately prior to such event. Capitalized terms defined therein and not otherwise defined herein shall have the meanings assigned in the Credit Agreement.

(7) **Further Agreements of Party B**. Party B agrees with Party A that Party B will comply with each of the covenants set forth in Articles V and VI of the Credit Agreement.

(8) **Additional Event of Default**. With respect to Party B, it shall constitute an Event of Default under this Agreement if there shall occur any Event of Default under the Credit Agreement.

(9) **Further Representations of Party B.** Party B represents and warrants to Party A (which representations will be deemed to be repeated by Party B on each date on which a Transaction is entered into) that (i) each of the representations and

warranties made by Party B in Article III of the Credit Agreement is true and correct and no Event of Default under the Credit Agreement has occurred and is continuing, and (ii) this Agreement and each Transaction entered into hereunder constitutes a "Hedging Agreement" which has been or will be, as the case may be, entered into in compliance with the Credit Agreement.

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

By: /s/ Melissa McMahon
Name: Melissa McMahon
Title: Managing Director and Associate General Counsel

TRIMAS CORPORATION

By: /s/ Robert J. Zalupski
Name: Robert J. Zalupski
Title: VP Finance & Treasurer

Exhibit 10.43

JPMorgan

Interest Rate Swap Transaction

The purpose of this letter agreement is to confirm the terms and conditions of the Transaction entered into between:

JPMORGAN CHASE BANK, N.A.
("JPMorgan")

and

TRIMAS COMPANY LLC
(the "Counterparty")

on the Trade Date and identified by the JPMorgan Deal Number specified below (the "Transaction"). This letter agreement constitutes a "Confirmation" as referred to in the Master Agreement specified below, and supersedes any previous confirmation or other writing with respect to the transaction described below.

The definitions and provisions contained in the 2006 ISDA Definitions (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc. are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

If JPMORGAN CHASE BANK, N.A. ("JPMorgan") and TRIMAS COMPANY LLC (the "Counterparty") are not yet parties to an ISDA Master Agreement, the parties agree that this Transaction will be documented under a master agreement to be entered into on the basis of the printed form of the 2002 Master Agreement (the "Master Agreement") published by the International Swap and Derivatives Association, Inc. ("ISDA") together with such changes as shall be agreed between the parties. Upon execution and delivery by the parties of the Master Agreement, this Confirmation shall supplement, form a part of, and be subject to such Master Agreement. Until the parties execute and deliver the Master Agreement, this Confirmation, together with all other documents referring to the Master Agreement confirming the transactions entered into between the parties, shall supplement, form a part of, and be subject to the printed form of Master Agreement published by ISDA, as if the parties had executed that agreement in such form (but without any Schedule except for the election of the law of the State of New York as the governing law and US Dollars as the Termination Currency) on the Trade Date of this Transaction.

The terms of the particular Interest Rate Swap Transaction to which this Confirmation relates are as follows:

A. TRANSACTION DETAILS

JPMorgan Deal Number(s):	6900058550529 / 00135044410
Notional Amount:	USD 125,000,000.00
Trade Date:	27 February 2008
Effective Date:	28 April 2008
Termination Date:	28 October 2009 subject to adjustment in accordance with the Modified Following Business Day Convention.
Fixed Amounts:	
Fixed Rate Payer:	Counterparty
Fixed Rate Payer Payment Dates:	The 28 July, 28 October, 28 January and 28 April in each year, from and including 28 July 2008 to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention and there will be an adjustment to the Calculation Period.
Fixed Rate:	2.73000 percent
Fixed Rate Day Count Fraction:	Actual/360
Business Days:	New York, London
Floating Amounts:	
Floating Rate Payer:	JPMorgan
Floating Rate Payer Payment Dates:	The 28 July, 28 October, 28 January and 28 April in each year, from and including 28 July 2008 to and including the Termination Date, subject to adjustment in accordance with the

	Modified Following Business Day Convention and there will be an adjustment to the Calculation Period.
Floating Rate for initial Calculation Period:	To be determined

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Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	3 Month
Spread:	None
Floating Rate Day Count Fraction:	Actual/360
Reset Dates:	The first day of each Calculation Period.
Compounding:	Inapplicable
Business Days:	New York, London
Calculation Agent:	JPMorgan, unless otherwise stated in the Agreement.

B. ACCOUNT DETAILS

Payments to JPMorgan in USD:	JPMORGAN CHASE BANK, N.A. JPMORGAN CHASE BANK, NATIONAL ASSOCIATION BIC: CHASUS33XXX AC No: 099997979
Payments to Counterparty in USD:	As per your standard settlement instructions.

C. OFFICES

JPMorgan:	NEW YORK
Counterparty:	BLOOMFIELD HILLS

D. GOVERNING LAW

The laws of the State of New York provided, however, that upon execution of the Master Agreement, this Confirmation shall be governed by the law governing such Master Agreement.

E. DOCUMENTS TO BE DELIVERED

Each party shall deliver to the other, at the time of its execution of this Confirmation, evidence of the incumbency and specimen signature of the person(s) executing this Confirmation, unless such evidence has been previously supplied and remains true and in effect.

F. RELATIONSHIP BETWEEN PARTIES

Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(a) *Non-Reliance.* It is acting for its own account, and it has made its own independent decisions to enter in to that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(b) *Assessment and Understanding.* It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is capable of assuming, and assumes the risks of that Transaction.

(c) *Status of Parties.* The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing a copy of this Confirmation and returning it to us or by sending to us a letter, telex or facsimile substantially similar to this letter, which letter, telex or facsimile sets forth the material terms of the Transaction to which this

Confirmation relates and indicates agreement to those terms. When referring to this Confirmation, please indicate: JPMorgan Deal Number(s): 6900058550529 / 00135044410

JPMorgan Chase Bank, N.A.

/s/ Carmine Pilla

Name: Carmine Pilla

Title: Vice President

Accepted and confirmed as of the date first written:
TRIMAS COMPANY LLC

/s/ Robert J. Zalupski

Name: Robert J. Zalupski

Title: VP Finance and Treasurer

Your reference number: ____________________

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Exhibit 31.1

Certification
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002
(Chapter 63, Title 18 U.S.C. Section 1350(A) and (B))

I, Grant H. Beard, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TriMas Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2008

/s/ GRANT H. BEARD

Grant H. Beard
Chief Executive Officer

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Exhibit 31.1

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Exhibit 31.2

Certification
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002
(Chapter 63, Title 18 U.S.C. Section 1350(A) and (B))

I, A. Mark Zeffiro, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TriMas Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; and

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2008

/s/ A. MARK ZEFFIRO

A. Mark Zeffiro
Chief Financial Officer

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Exhibit 31.2

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Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of TriMas Corporation (the "Company") on Form 10-Q for the period ended September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Grant H. Beard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes- Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2008

/s/ GRANT H. BEARD

Grant H. Beard
Chief Executive Officer

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Exhibit 32.1

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Exhibit 32.2

Certification Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of TriMas Corporation (the "Company") on Form 10-Q for the period ended September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, A. Mark Zeffiro, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes- Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 10, 2008

/s/ A. MARK ZEFFIRO

A. Mark Zeffiro
Chief Financial Officer

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Exhibit 32.2