AFFILIATE AGREEMENT  
  
 EXHIBIT C  
  
 THIS AFFILIATE AGREEMENT is made and effective as of  
 February \_\_\_\_, 1998, by and among KEYSTONE AUTOMOTIVE INDUSTRIES,  
 INC., a California corporation ("Keystone"), REPUBLIC AUTOMOTIVE  
 PARTS, INC., a Delaware corporation ("Republic"), and Xxxxxx X.  
 Xxxxx, Xxxxxxx X. Xxxxxxx, Xx X. Xxxxx, Xxx X. Xxxx, Xxxx X.  
 Xxxxxxx, Xxxxxxxxxxx Xxxxxxx, Xxxxx X. Xxxxxxxx, Xxxxxxx X.  
 XxXxxx, Xxxxxx X. Xxxxxxx and Xxxx Xxxxxxxx (collectively, the  
 "Shareholders" and individually, a "Shareholder").  
  
 A. Keystone and the Shareholders desire that  
 Keystone, KAI Merger, Inc., a wholly owned subsidiary of Keystone  
 (the "Subsidiary"), and Republic enter into that certain  
 Agreement and Plan of Merger (as the same may be amended or  
 supplemented, the "Merger Agreement"), pursuant to which, among  
 other things, (i) the Subsidiary will be merged with and into  
 Republic (the "Merger"), (ii) all shares of the capital stock of  
 Republic issued and outstanding immediately prior to the Merger  
 will be converted into the right to receive shares of the Common  
 Stock of Keystone.  
  
 A. Keystone and the Shareholders are entering into  
 this Agreement as a material inducement to Republic to enter into  
 the Merger Agreement.  
  
 A. The Shareholders are affiliates of Keystone as  
 that term is defined in Rule 405 promulgated under the Securities  
 Act of 1933, as amended (the "Securities Act").  
  
 NOW, THEREFORE, in consideration of the premises and of the  
 respective representations, warranties, covenants, agreements and  
 conditions contained herein and in the Merger Agreement, and  
 intending to be legally bound hereby, the parties agree as  
 follows:  
  
 1. Representations and Warranties. Each Shareholder  
 hereby represents and warrants to Republic as follows:  
  
 (a) The Shareholder is the holder of record, and  
 has the sole power to vote, or to direct the voting of, and to  
 dispose of, or to direct the disposition of, that number of  
 shares of the Common Stock of Keystone set forth below such  
 Shareholder's name on the signature page hereof. Except for such  
 shares, and any stock options held by the Shareholder pursuant to  
 Keystone's 1996 Employee Stock Incentive Plan, as amended, the  
 Shareholder has no right, title or interest of any kind  
 whatsoever in any shares of the capital stock or other securities  
 of Keystone.  
  
 (b) All shares of the capital stock of Keystone  
 held by the Shareholder are free and clear of all (i) liens,  
 claims, charges, encumbrances, security interests, equities,  
 restrictions on transfer or any other defects in title of any  
 kind or description whatsoever and (ii) preemptive rights,  
 options, proxies, voting trusts or other agreements,  
 understandings or arrangements regarding the voting or the  
  
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 disposition of such shares, except for any such encumbrances  
 arising hereunder or under the Securities Act of 1933, as amended  
 (the "Securities Act").  
  
 (c) The Shareholder has the legal right, power,  
 capacity and authority to execute, deliver and perform this  
 Agreement without obtaining the approval or consent of any  
 person, and this Agreement is the legal, valid and binding  
 obligation of the Shareholder and is enforceable against the  
 Shareholder in accordance with its terms.  
  
 (d) Neither the execution and delivery of this  
 Agreement nor the consummation by the Shareholder of the  
 transactions contemplated hereby (i) will, to the knowledge of  
 the Shareholder, result in a violation of, constitute a default  
 under, conflict with or require any consent, approval or notice  
 under, any contract, trust, commitment, agreement, understanding,  
 arrangement or restriction of any kind, or any judgment, order,  
 decree, statute, law, rule or regulation, to which the  
 Shareholder is a party or by which the Shareholder is bound or  
 (ii) will, to the knowledge of the Shareholder, result in the  
 creation or imposition of any lien, claim, charge, security  
 interest, encumbrance or restriction on any shares of the capital  
 stock of Keystone. If the Shareholder is married and any shares  
 of the capital stock of Keystone held by the Shareholder  
 constitute community property, this Agreement has been duly  
 executed and delivered by, and constitutes the legal, valid and  
 binding agreement of, the Shareholder's spouse, enforceable  
 against such person in accordance with its terms.  
  
 (e) No broker, investment banker, financial  
 adviser or other person is entitled to any broker's, finder's,  
 financial adviser's or other similar fee or commission in  
 connection with the transactions contemplated hereby or by the  
 Merger Agreement based upon arrangements made by or on behalf of  
 the Shareholder.  
  
 (f) The Shareholder understands and acknowledges  
 that Republic is entering into the Merger Agreement in reliance  
 upon the Shareholder's execution and delivery of this Agreement.  
  
 2. Voting of Republic Shares. Each Shareholder  
 hereby covenants and agrees as follows:  
  
 (a) At any meeting of shareholders of Keystone  
 called to vote upon the Merger Agreement, the Merger or the other  
 transactions contemplated by the Merger Agreement, or at any  
 adjournment thereof, or in any other circumstances in which a  
 vote, consent or other approval with respect to the Merger  
 Agreement, the Merger or the other transactions contemplated by  
 the Merger Agreement is sought, the Shareholder shall vote (or  
 cause to be voted) all shares of the capital stock of Keystone as  
 to which he has the sole or shared voting power, as of the record  
 date established to determine the persons who have the right to  
 vote at such meeting or to grant such vote, consent or approval,  
 in favor of the Merger, the execution and delivery by Keystone of  
 the Merger Agreement and the approval of the terms of the Merger  
 Agreement, the Merger and each other transaction contemplated by  
 the Merger Agreement.  
  
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 (b) At any meeting of shareholders of Keystone,  
 or at any adjournment thereof, or in any other circumstances in  
 which the vote, consent or other approval of shareholders of  
 Keystone is sought, the Shareholder shall vote (or cause to be  
 voted) all shares of the capital stock of Keystone as to which he  
 has the sole or shared voting power as of the record date  
 established to determine the persons who have the right to vote  
 at such meeting or to grant such vote, consent or the approval  
 against (i) any merger agreement or merger (other than the Merger  
 Agreement and the Merger), consolidation, combination, sale or  
 acquisition of any debt or equity security or of any assets,  
 reorganization, recapitalization, dissolution, liquidation or  
 winding up of or by Keystone or (ii) any amendment of Keystone's  
 Articles of Incorporation or Bylaws or (iii) any other proposal  
 or transaction involving Keystone, which amendment or other  
 proposal or transaction would in any manner impede, frustrate,  
 prevent or nullify the Merger, the Merger Agreement or any of the  
 other transactions contemplated by the Merger Agreement.  
  
 (c) The Shareholder shall retain at all times the  
 right to vote any shares of the capital stock of Keystone owned  
 of record by the Shareholder, in his sole discretion, on all  
 matters (other than those set forth in this Section 2) which are  
 at any time or from time to time presented to the shareholders of  
 Keystone generally.  
  
 (d) The Shareholder shall not, without the prior  
 written consent of Republic in each instance, take any action  
 that would alter or affect in any way the right to vote any  
 shares of the capital stock of Keystone as to which the  
 Shareholder has the sole or shared voting power, including, but  
 not limited to, (i) transferring (whether by sale, gift, pledge  
 or otherwise), or consenting to the transfer of, any interest in  
 any such shares, (ii) entering into any contract, option or other  
 agreement or understanding with respect to the voting of such  
 shares, (iii) granting any proxy, power of attorney or other  
 authorization in or with respect to the voting of such shares or  
 (iv) depositing such shares into a voting trust or entering into  
 a voting agreement or arrangement with respect thereto. The  
 provisions of this subsection shall not be applicable to Xxxx  
 Xxxxxxxx with respect to 50% of his holdings of Keystone Common  
 Stock.  
  
 3. Recommendations to Shareholders. Unless (i) the  
 board of directors of Keystone determines in good faith after  
 consultation with outside legal counsel that to do so would  
 result in a failure to comply with it's fiduciary duties under  
 applicable law, or (ii) the opinion of X. X. Xxxxxxx & Sons, Inc.  
 referred to in Section 5.3(b) of the Merger Agreement shall have  
 been withdrawn by that firm, each Shareholder, in his capacity  
 as a director of Keystone, (i) shall recommend to the  
 shareholders of Keystone that they approve the Merger Agreement,  
 the Merger and the transactions contemplated by the Merger  
 Agreement at the Keystone Meeting or at any other meeting of the  
 shareholders of Keystone, or in any other circumstances in which  
 the vote, consent or approval of shareholders of Keystone is  
 sought with respect thereto.  
  
 4. Accounting Treatment. Notwithstanding any other  
 provision of this Agreement to the contrary, a Shareholder shall  
 not take any action which, either alone or together with any  
 action by any other person, could preclude Keystone from  
 accounting for the business combination to be effected by the  
 Merger as a pooling of interests.  
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 5. Termination. All rights and obligations of the  
 parties under this Agreement shall terminate upon the date upon  
 which the Merger Agreement is terminated in accordance with  
 Article VIII thereof.  
  
 6. Successors and Assigns. Neither this Agreement  
 nor any of the rights or duties hereunder shall be assigned, in  
 whole or in part, by operation of law or otherwise, by any of the  
 parties without the prior written consent of each other party  
 affected by such assignment. Any assignment in violation of the  
 foregoing shall be void. This Agreement and the obligations of a  
 Shareholder hereunder shall attach to all shares of the capital  
 stock of Keystone now held or hereafter acquired by such  
 Shareholder and shall inure to the benefit of and shall be  
 binding upon any person to which legal or beneficial ownership of  
 such shares shall pass, whether by operation of law or otherwise,  
 including, but not limited to, the Shareholder's permitted heirs,  
 representatives, successors or assigns. In the event of any  
 stock split, stock dividend, merger, reorganization,  
 recapitalization or other change in the capital structure of  
 Keystone, or the acquisition of any interest in additional shares  
 of the capital stock of Keystone by any Shareholder, the number  
 of shares subject to the terms of this Agreement shall be  
 adjusted appropriately and this Agreement and the obligations  
 hereunder shall attach to any interest in any additional shares  
 of the capital stock of Keystone issued to or acquired by such  
 Shareholder.  
  
 7. Indemnification.  
  
 (a) Each of the Shareholders, solely with respect  
 to himself with respect to Republic, on the one hand, and  
 Republic with respect to each of the Shareholders, on the other  
 hand, shall indemnify the other and hold it harmless against and  
 in respect of any and all payments, damages, demands, claims,  
 losses, expenses, costs, obligations and liabilities (including,  
 but not limited to, reasonable attorneys' fees and costs) which  
 arise or result from or are related to any material breach by  
 such indemnifying party or material failure by such indemnifying  
 party to perform any of its representations, warranties,  
 commitments, obligations, covenants or conditions hereunder;  
 provided, however, that no party shall be entitled to seek  
 indemnification from any other party pursuant to this Section 7  
 unless the party from whom indemnification is sought is given  
 written notice of the existence of a claim for indemnification  
 written six months of the Effective Time of the Merger.  
 Consummation of the transactions contemplated hereby shall not  
 be deemed or construed to be a waiver of any right or remedy of  
 the indemnified party nor shall this section or any other  
 provision of this Agreement be deemed or construed to be a waiver  
 of any ground of defense by the indemnified party.  
  
 (b) The party indemnified hereunder (the  
 "Indemnitee") shall promptly notify the indemnifying party (the  
 "Indemnitor") of the existence of any claim, demand or other  
 matter involving liabilities to third parties to which the  
 Indemnitor's indemnification obligations would apply and shall  
 give the Indemnitor a reasonable opportunity to defend the same  
 at its own expense and with counsel of its own selection (who  
 shall be approved by the Indemnitee, which approval shall not be  
 unreasonably withheld or delayed); provided, however, that the  
 Indemnitee at all times also shall have the right to fully  
 participate in the defense at its own expense. If the Indemnitor  
  
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 within a reasonable time after such notice fails to defend such  
 claim, or fails to adequately pursue such defense once commenced,  
 the Indemnitee shall have the right, but not the obligation, to  
 undertake the defense of, and to compromise or settle (exercising  
 reasonable business judgment), the claim or other matter on  
 behalf, for the account and at the risk and expense of the  
 Indemnitor. Except as provided in the preceding sentence, the  
 Indemnitee shall not compromise or settle the claim or other  
 matter without the prior written consent of the Indemnitor in  
 each instance. If the claim is one that cannot by its nature be  
 defended solely by the Indemnitor, the Indemnitee shall make  
 available all information and assistance that the Indemnitor  
 reasonably may request; provided, however, that any associated  
 expenses shall be paid by the Indemnitor.  
  
 8. Survival of Representations, Warranties and  
 Agreements. All representations, warranties and agreements made  
 by the parties hereto in this Agreement (including, but not  
 limited to, statements contained in any schedule or certificate  
 or other instrument delivered by or on behalf of any party hereto  
 or in connection with the transactions contemplated hereby) shall  
 survive the date hereof and any investigations, inspections,  
 examinations or audits made by or on behalf of any party.  
  
 9. Entire Agreement. This Agreement constitutes the  
 entire agreement between the parties hereto pertaining to the  
 subject matter hereof, and supersedes all prior agreements,  
 understandings, negotiations and discussions, whether oral or  
 written, relating to the subject matter of this Agreement. No  
 supplement, modification, waiver or termination of this Agreement  
 shall be valid unless executed by the party to be bound thereby.  
 No waiver of any of the provisions of this Agreement shall be  
 deemed or shall constitute a waiver of any other provisions  
 hereof (whether or not similar), nor shall such waiver constitute  
 a continuing waiver unless otherwise expressly provided.  
  
 10. Notices. Any notice or other communication  
 required or permitted hereunder shall be in writing and shall be  
 deemed to have been given (i) if personally delivered, when so  
 delivered, (ii) if mailed, one (1) week after having been placed  
 in the mail, registered or certified, postage prepaid, addressed  
 to the party to whom it is directed at the address set forth on  
 the signature page hereof or (iii) if given by telex or  
 telecopier, when such notice or other communication is  
 transmitted to the telex or telecopier number specified on the  
 signature page hereof and the appropriate answer back or  
 telephonic confirmation is received. Any party may change the  
 address to which such notices are to be addressed by giving the  
 other parties notice in the manner herein set forth.  
  
 11. Governing Law. The validity, construction and  
 interpretation of this Agreement shall be governed in all  
 respects by the laws of the State of Delaware applicable to  
 contracts made and to be performed wholly within that State.  
  
 12. Headings. Section and subsection headings are not  
 to be considered part of this Agreement and are included solely  
 for convenience and reference and in no way define, limit or  
 describe the scope of this Agreement or the intent of any  
 provisions hereof.  
  
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 13. Third Parties. Nothing in this Agreement,  
 expressed or implied, is intended to confer upon any person other  
 than the parties hereto and their successors and assigns any  
 rights or remedies under or by reason of this Agreement.  
  
 14. Injunctive Relief. Keystone and the Shareholders  
 each hereby acknowledge and agree that the obligations of the  
 Shareholders hereunder are unique and Republic would not have an  
 adequate remedy at law for money damages in the event of the  
 breach or threatened breach of any provision of this Agreement.  
 Accordingly, Republic shall be entitled to temporary and  
 injunctive relief, including temporary restraining orders,  
 preliminary injunctions and permanent injunctions, to enforce  
 such provisions without the necessity of proving actual damages  
 or being required to post any bond or undertaking in connection  
 with any such action. This provision with respect to injunctive  
 relief shall not diminish, however, the right of Republic to any  
 other relief or to claim and recover damages.  
  
 15. Counterparts. This Agreement may be executed  
 simultaneously in two or more counterparts, each one of which  
 shall be deemed an original, but all of which shall constitute  
 one and the same instrument.  
  
 16. Further Assurances. Each party hereto shall, from  
 time to time at and after the date hereof, execute and deliver  
 such instruments, documents and assurances and take such further  
 actions as the other party may reasonably request to carry out  
 the purpose and intent of this Agreement.  
  
 17. Jurisdiction.  
  
 (a) Each party hereto irrevocably submits to the  
 non-exclusive jurisdiction of any court of the State of Delaware  
 over any suit, action or proceeding arising out of or relating to  
 this Agreement. To the fullest extent it may effectively do so  
 under applicable law, each party irrevocably waives and agrees  
 not to assert, by way of motion, as a defense or otherwise, any  
 claim that it is not subject to the jurisdiction of any such  
 court, any objection that it may now or hereafter have to the  
 establishment of the venue of any such suit, action or proceeding  
 brought in any such court and any claim that any such suit,  
 action or proceeding brought in any such court has been brought  
 in an inconvenient forum.  
  
 (b) Each party hereto agrees, to the fullest  
 extent it may effectively do so under applicable law, that a  
 judgment in any suit, action or proceeding of the nature referred  
 to hereinabove brought in any such court shall be conclusive and  
 binding upon such person and its successors and assigns and may  
 be enforced in the courts of the State of Delaware (or any other  
 courts to the jurisdiction of which such person is or may be  
 subject) by a suit upon such judgment.  
  
 (c) Each party hereto consents to process being  
 served in any suit, action or proceeding of the nature referred  
 to hereinabove by mailing a copy thereof by registered or  
 certified mail, postage prepaid, return receipt requested, to the  
 address of the other set forth in Section 15. Each party agrees  
  
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 that such service (i) shall be deemed in every respect effective  
 service of process upon such person in any such suit, action or  
 proceeding and (ii) shall, to the fullest extent permitted by  
 law, be taken and held to be valid personal service upon and  
 personal delivery to such person.  
  
 18. Defined Terms. Capitalized terms used and not  
 otherwise defined in this Agreement shall have the respective  
 meanings assigned to them in the Merger Agreement.  
  
 19. Severable Provisions. If any term, provision,  
 covenant or restriction herein, or the application thereof to any  
 circumstance, shall, to any extent, be held by a court of  
 competent jurisdiction to be invalid, void or unenforceable, the  
 remainder of the terms, provisions, covenants and restrictions  
 herein and the application thereof to any other circumstances,  
 shall remain in full force and effect, shall not in any way be  
 affected, impaired or invalidated, and shall be enforced to the  
 fullest extent permitted by law.  
  
 IN WITNESS WHEREOF, the undersigned parties have executed  
 and delivered this Agreement as of the day and year first above  
 written.  
  
 KEYSTONE: KEYSTONE AUTOMOTIVE INDUSTRIES, INC.  
  
  
 By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxxxx X. Xxxxxxx,  
 Chief Executive Officer  
 000 Xxxx Xxxxxx Xxxxxx  
 Xxxxxx, Xxxxxxxxxx 00000  
  
 REPUBLIC: REPUBLIC AUTOMOTIVE PARTS, INC.  
  
  
 By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxx X. Xxxxxxxx, President  
 000 Xxxxxx Xxxx Xxxxxx,  
 Xxxxx 000  
 Xxxxxxxxx, Xxxxxxxxx 00000  
  
 SHAREHOLDERS:  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxxx X. Xxxxx  
  
 Number of shares:  
  
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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Xxxxxxx X. Xxxxxxx  
  
 Number of shares:  
  
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 Xxxxx X. Xxxxxxxx  
  
 Number of shares:  
  
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 Xxxxxxx X. XxXxxx  
  
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 Number of shares:  
  
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 Xxxx Xxxxxxxx  
  
 Number of shares:  
  
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 SPOUSAL CONSENT  
  
 I am the spouse of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a Shareholder in  
 the above Agreement. I understand that I may consult independent  
 legal counsel as to the effect of this Agreement and the  
 consequences of my execution of this Agreement and, to the extent  
 I felt it necessary, I have discussed it with legal counsel. I  
 hereby confirm this Agreement and agree that it shall bind my  
 interest in the Shares, if any.  
  
  
  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 (Print Name)  
  
  
  
  
 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 (Signature)  
  
  
  
  
  
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