

General Terms of Purchase for the Commercial Business Transactions

Preamble

These General Terms of Purchase shall apply to the following companies of the SaarGummi Group:

CQLT SaarGummi Deutschland GmbH, SaarGummi International Systems GmbH, SaarGummi Verwaltungs-GmbH, SaarGummi Neo GmbH and SaarGummi Automotive Sealings GmbH.

1. General information – scope

- 1.1** The order and the contractual relationship are exclusively based on our General Terms of Purchase. We shall not recognise contradictory terms and conditions of the supplier or terms and conditions which deviate from our Terms of Purchase unless we had explicitly approved their validity. Our Terms of Purchase shall also apply if we accept the delivery without reservation in the knowledge of contradictory terms and conditions of the supplier or terms and conditions which deviate from our Terms of Purchase.
- 1.2** These Terms of Purchase shall also apply to all future business between the contractual partners without this requiring a renewed reference to these terms and conditions. This shall also apply if the supplier should only become aware of these terms and conditions with the first business transaction after conclusion of the contract.
- 1.3** These Terms of Purchase shall be deemed as agreed if the supplier does not object hereto immediately after they have been handed over.
- 1.4** These Terms of Purchase shall only apply towards a merchant (Section 310 BGB [German Civil Code]) and only if the contract belongs to the operation of its trade enterprise.
- 1.5** All agreements, which are reached between us and the supplier for the purpose of executing this contract, are to be recorded in writing.

2. Written correspondence

The entire written correspondence associated with the submission of offers as well as with the order and its processing is to be sent to the address stated in the order header and must contain the details which are necessary for the processing, in particular the tender enquiry or order number and, if applicable, the number of the release order.

3. Offer – offer documents

- 3.1 The supplier can accept the order within a deadline of 2 weeks. The acceptance shall be carried out by a written confirmation of the order or if an offer is made by the supplier by the written order of the company stated in the letterhead.
- 3.2 We reserve property rights and copyrights to orders, diagrams, drawings, calculations and other documents; they may not be made accessible to third parties without our explicit written consent. They are exclusively to be used for the production owing to our order; after the order has been processed the documents are to be returned to us without request. They are to be kept confidential towards third parties, the regulation in § 13.7 shall additionally apply in this respect.

4. Prices – terms of payment

- 4.1 The price shown in the order is binding. In the absence of a deviating written agreement the price shall include the delivery „free domicile“ including packaging.
- 4.2 All invoices are to be sent to us in duplicate directly after the shipment has been carried out and must contain the order number.
- 4.3 We can only process invoices if – in line with the stipulations in our order – they state the order number shown therein. The supplier is responsible for all consequences ensuing owing to the failure to comply with this regulation if it does not prove that it is not responsible for the consequences.
- 4.4 The payment shall be carried out – insofar as not otherwise agreed in writing – after receipt of the invoice and within 14 days with 3% cash discount, within 30 days with 2% cash discount or 45 days net. The cash discount deadline shall begin to apply on the day upon which the invoice is received.
- 4.5 We are entitled to rights to offset and retention in the statutory extent.
- 4.6 Down payments and advance payments shall always be deemed as a partial fulfilment. They will only be made if they have been agreed.

The supplier is not entitled to assign its claims against us or to have these collected by third parties without our prior written consent.

5. Group settlement clause

We are entitled to offset all own claims or claims of other companies of the SaarGummi Group (Section 18 AktG [German Stock Corporation Act]) against those claims, to which the supplier or one of its group companies is entitled against us or other companies. The offsetting shall also be permitted if maturities of the mutual claims differ or if on the one hand cash payment or the hand-

over of bills of exchange has been agreed. The settlement will be carried out with the value date in case of different maturities of the claims.

6. Delivery time

- 6.1** The delivery time stated in the order is binding. Delivery dates are fixed dates; the deliveries must correspond with our quantities and time stipulations. We are not obliged to make payments for quantities of goods, which exceed the delivered quantities notified by us in our delivery stipulations. We are entitled to change the frequency of the planned deliveries or to instruct the temporary suspension of planned deliveries, whereby none of the afore-mentioned cases shall entitle the supplier to change the prices for these goods for our expense. Insofar as no quantities or delivery dates are stated, the supplier shall deliver the goods in the quantities and as of the date, which we state in subsequent release reports to the supplier. Deemed as day of delivery is the day upon which the goods are received.
- 6.2** The supplier undertakes to inform us immediately in writing if circumstances occur or become recognisable to it, from which it can be derived that the stipulated delivery time cannot be adhered to. If the supplier fails to give the notification it can no longer refer to these circumstances with a delivery in delivery or service. The supplier is obliged to compensate us for all direct and indirect damages due to default. The acceptance of a delayed delivery or service shall not include a waiver of claims for compensation. We further reserve the right to make the payment on the agreed due dates in the event of a premature delivery.

7. Passing of risk

The delivery has to be carried out, insofar as not otherwise agreed in writing, „free domicile“. The supplier shall bear the transport risk until the receipt of the goods.

8. Shipping regulations

- 8.1** The undertaken shipment is to be reported to us by sending the delivery note in duplicate. This must contain the following details: Order number and day of the order; type of goods and material number with associated position number; quantity, net and gross weight of the goods as well as the address contained in the order. If the supplier fails to provide one of the afore-mentioned details and if this results in delays in the processing this shall be for the expense of the supplier.
- 8.2** The shipment has to be carried out to the place stated in the order. If, as an exception, the freight charges are to be borne by us as agreed the supplier un-

dertakes to choose the type of shipment, which is most favourable for us. Additional costs due to unsubstantiated choice of an expensive type of transport are to be borne by the supplier.

- 8.3** Necessary weighing is principally to be carried out on scales of the orderer.

9. Liability for material defects

- 9.1** We will report defects to the delivered finished products to the supplier immediately in writing as soon as they are determined according to the conditions of a proper business flow, by no later however than within 2 weeks from the discovery. We have to report obvious defects with deliveries within Europe within seven days from delivery. In case of deliveries outside of Europe the deadline for reporting obvious defects is two weeks owing to the longer delivery time.
- 9.2** The supplier guarantees that the goods delivered by it comply with the specifications, drawings, samples and/or descriptions agreed with us, which were delivered to us or by us and that they are further functional, usable, impeccable and free of defects. In addition the supplier acknowledges that it has been informed by us about the use of the goods and assures that all delivered goods are suitable and have been sufficiently designed for the purposes intended by us.
- 9.3** We are entitled to the statutory warranty claims in full. A reasonable deadline determined by us in an individual case shall begin to apply on the day, upon which we report a breach of duty to the supplier, in which the supplier has the possibility to remedy the breach of duty. After the unsuccessful expiry of this deadline we are entitled to cancel the contract or to request damages instead of the service.
- 9.4** The warranty obligation is 36 months from the passing of risk. The statute-of-limitations is inhibited from the day of receipt of the report of defects until three months after the remedy of the defects. For replaced parts the warranty time shall begin to apply as a new period once again on the day of the subsequent fulfilment if the defects are not remedied as a gesture of goodwill.
- 9.5** The confirmation of receipt handed over to the transport company upon delivery is only to be seen as a confirmation of the receipt of the goods, not however of the appropriate condition of the delivery.

10. Product liability – indemnification – liability

insurance cover

- 10.1** Insofar as the supplier is responsible for a damage to a product it is obliged to accordingly indemnify us from claims for damages of third parties upon first request to the extent that the cause lies in its sphere of control and organisation and it is responsible itself in the relationship towards external parties.
- 10.2** Within the scope of its liability for damaging events within the meaning of Par. 1

the supplier is also obliged to reimburse possible expenses according to Sections 683, 670 BGB as well as according to Sections 830, 840, 426 BGB, which ensue from or in connection with a recall action carried out by us. We will inform the supplier of the contents and scope of the recall measures, which are to be carried out, – as far as possible and deemed reasonable – and give it the opportunity to make a statement. Other statutory claims shall remain unaffected.

- 10.3** The supplier undertakes to maintain product liability insurance with a sum insured of at least EUR 2,500,000.00 per physical injury/property damage – as a lump sum –; if we are entitled to further claims for damages these shall remain unaffected.

11. Property rights

- 11.1** The supplier shall be responsible for ensuring that no rights of third parties are infringed in connection with its delivery. This shall only apply to the extent that the supplier is responsible for the infringement of rights owing to fault.
- 11.2** Should claims be asserted against us or third parties in connection with or when using the delivery/services as well as with the procurement of replacements owing to the infringement of industrial property rights the supplier undertakes, if it is at fault, to indemnify us or third parties from such claims and to compensate for all damages caused hereby including in court and out-of-court costs.

12. Know-how protection

The supplier may only use the technical information and processing instructions obtained through the cooperation with us or the other acquired know-how for us unless a regulation for use and remuneration is agreed with us which goes beyond this agreement.

13. Reservation of title- indemnification – tools- confidentiality

- 13.1** The goods shall directly become our property with the hand-over of the goods to us by the supplier.
- 13.2** We shall retain the ownership hereto if we provide parts to the supplier. Processing or conversion by the supplier will be carried out on our behalf. If our reserved goods are processed with other objects, which do not belong to us we shall acquire the co-ownership to the new object in the ratio of the value of our object (purchase price plus value added tax) to the other processed objects at the time of the processing.

- 13.3** If the object provided by us is inseparably mixed with other objects that do not belong to us we shall acquire the co-ownership to the new object in the ratio of the value of the reserved object (purchase price plus value added tax) to the other mixed objects at the time of the mixing. If the mixing is carried out in the manner that the supplier's object is to be seen as the main object then it shall be deemed as agreed that the supplier assigns pro rata co-ownership to us. The supplier shall keep the sole ownership or the co-ownership in safekeeping on our behalf.
- 13.4** We reserve the ownership to tools. The supplier undertakes to exclusively use the tools for producing the goods ordered by us. The supplier undertakes to carry out possibly necessary service and inspection work as well as all maintenance and repair work on our tools at its own costs in time. It has to report possible interferences to us immediately; if it fails to do this this shall have no effect on claims for damages.
- 13.5** The supplier undertakes to insure the tools belonging to us and provided objects at the value as new at its own costs against damages caused by fire, water and theft. At the same time the supplier hereby now already assigns all claims for indemnification from this insurance to us. We hereby accept the assignment.
- 13.6** Insofar as the security rights to which we are entitled according to Par. 2 and/or Par. 3 exceed the purchase price of all of our reserved goods that have not yet been paid by more than 20 %, we are obliged at the supplier's request to release the security rights at our choice.
- 13.7** The supplier undertakes to maintain strict secrecy concerning all received diagrams, drawings, calculations and other documents. They may only be disclosed to third parties with our explicit consent. The non-disclosure obligation shall also apply after the processing of the contract. It shall lapse if and insofar as production know-how contained in the provided diagrams, drawings, calculations and other documents has become general knowledge.

14. Quality assurance

- 14.1** The organisational and factual pre-requisites must exist at the supplier for the fact that each product delivered to us complies with all technical regulations upon which the contract is based. It is the responsibility of the supplier to ensure that it maintains an effective system for control. It undertakes to maintain a quality system that corresponds with the respective state of technology.
- 14.2** If the supplier has determined an inadmissible deviation of a value from the set value over the course of its inspections it can apply for an approval of a deviation in exceptional cases. The partial quantity concerned may only be delivered when this approval has been granted by us in a written form whereby the delivery documents and the transport containers must be marked with a clear reference to the applicable approval of a deviation.
- 14.3** The supplier undertakes to grant agents delegated by us or our customers access to all areas, which are necessary for the assessment of its quality assurance and quality management system. This regulation shall also apply towards sub-suppliers.

15. Force majeure

Each default or each omission of one of the two contractual parties with the fulfilment of its obligations stated herein will be excused if the supplier is not in the position to produce, sell or deliver the goods and services, which are covered by this contract or if the orderer is not in the position to accept these deliveries, to buy or use these deliveries and this is the result of an event that cannot be reasonably controlled by the respective party and that occur without its fault or its negligence, such as for example (however without claiming to be complete) events of force majeure, measures of governments (irrespective of their validity), fires, flooding, storms, explosions, riots, natural disasters, wars, sabotage, however only under the pre-requisite that a written notification regarding such a delay (by stating the expected duration of the delay) is sent to the respective other party by the party concerned as soon as possible after the occurrence of the event concerned. For the duration of such a delay or such an omission with the fulfilment of the contractual obligations by the supplier the orderer is entitled, at its choice, to procure the goods concerned from a third party and to reduce the scope of delivery ordered from the supplier by this quantity without being held liable for this towards the supplier or requesting the supplier to procure the goods concerned in the quantity requested by the orderer and as of the date requested by it from other sources, at the prices stated in this contract. Upon request by the orderer the supplier will give a reasonable assurance within a period of ten (10) days that such a delay will not exceed the duration of third (30) days. Should such a delay last for longer than third (30) days the orderer is entitled to terminate the contract immediately and without any liability.

16. Place of jurisdiction – place of performance

- 16.1** If the supplier is a full merchant our registered seat shall be the place of jurisdiction. We are however also entitled to file action against the supplier at the court of its domicile.
- 16.2** Insofar as not otherwise derived from the order our registered seat is the place of performance.
- 16.3** The law of the Federal Republic of Germany shall apply exclusively under the exclusion of the Hague Convention concerning the Conclusion of Purchase Contracts and the UN Convention on Contracts for the International Purchase of Goods.
- 16.4** The delivery address for the following companies is Eisenbahnstraße 24, 66687 Wadern-Büschfeld:
CQLT SaarGummi Deutschland GmbH, SaarGummi International Systems GmbH, SaarGummi Verwaltungs-GmbH, SaarGummi Neo GmbH.
Truck deliveries will be accepted in Büschfeld as follows: Monday to Thursday 6.00am – 4.30pm, Fridays 6.00am – 3.30pm.

The delivery address for SaarGummi Automotive Sealings GmbH in Losheim is:
Saarbrücker Straße 221b, 66679 Losheim am See.
Truck deliveries will be accepted as follows: Monday to Friday 8.00am – 2.00pm,

17. Legal and regulatory requirements

The supplier shall ensure that all internally and externally provided processes, products and services comply with the applicable legal and official requirements of the exporting country, the importing country and the country of destination specified by the SaarGummi Group. The supplier must document the process by which compliance with the above requirements is ensured. If the SaarGummi Group does not explicitly state a country of destination, „Germany“ shall generally be considered as such. If the SaarGummi Group specifies special monitoring measures for certain products to which legal and official requirements are subject, the supplier must ensure that this monitoring of any applicable legal and official requirements is carried out as required and maintained on an ongoing basis, also for other sub-suppliers.