

## General Terms and Conditions of Purchase of the Romanian Companies of the MAHLE Group

### DEFINITIONS

In these General Terms and Conditions the terms below shall have the following meanings:

- “MAHLE” - means the Romanian company of the MAHLE Group that is placing the order
- “Supplier” - means the person, company, enterprise or other institution to which the order is addressed
- “Material” - means all types of raw material, tools, or other material purchased by the Romanian company of the MAHLE Group
- “Order” - means purchase order

### 1. Determining conditions

a) The following General Terms and Conditions shall apply exclusively. By delivering its Material to MAHLE the Supplier accepts the present General Terms and Conditions of Purchase. MAHLE only accepts the General Terms and Conditions or other different conditions of the Supplier if they have been expressly approved in writing by MAHLE.

b) These General Terms and Conditions shall also apply if MAHLE accepts deliveries from the Supplier without reservation in the knowledge of contrary conditions of the Supplier or conditions that differ from these General Terms and Conditions. References or indications by the Supplier to the validity of its General Terms and Conditions are hereby expressly rejected.

c) These General Terms and Conditions shall also apply to all future transactions with the Supplier.

d) The provisions of these General Terms and Conditions of Purchase shall apply in addition to all other possible agreements that the parties conclude in addition, e.g. framework supply contract, quality agreement. In the case that MAHLE and the Supplier enter into such a written supply contract in which they agree on conditions differing from those included in these General Terms and Conditions, the provisions mutually agreed in the contract shall prevail in all cases.

### 2. Offer, Offer Documents

a) Orders shall only be valid if they are effected in writing. It shall be necessary for MAHLE to sign and stamp Orders. The written form shall also be deemed to have been observed if Orders are sent by fax.

b) The Supplier shall confirm that it is aware of the content of the Order, understands it and each Order must be confirmed by the Supplier by means of the Order confirmation form within 24 hours of receiving the Order. If the Supplier does not raise any objections in writing within 7 days from the date of receiving the Order, then this shall be understood by MAHLE as acceptance of the Order for implementation without any remarks.

c) Even after the Supplier has confirmed the Order, MAHLE may request that the Supplier shall make reasonable changes to the delivery item in terms of its design and function. In this case, the contracting parties shall take suitable account of the impacts of these changes, especially in regard to additional

or lower costs and the delivery date. The Supplier retains the right to change or terminate the Order or a contract with a period of notice termination of one month. In the event that the Supplier is not able to change the Order for MAHLE and to deliver the products within the agreed period of time, the Supplier must notify MAHLE of this fact within 24 hours from the date of receiving the Order change. In this case MAHLE is entitled to cancel the Order.

### 3. Prices, Invoices, Payment

a) The price shown in the Order shall be binding. In the absence of a different agreement, the price shall be the delivery condition “DDP” (Delivered Duty Paid) according to Incoterms 2000 and include packaging. By way of good cooperation with MAHLE, the Supplier shall guarantee to apply preferential price conditions by granting MAHLE an adequate discount that is fair to both parties, and shall guarantee MAHLE preferential status in terms of technology, quality of goods etc.

b) If the delivery condition “EXW” is agreed according to Incoterms 2000, the goods shall be transported by a forwarding agent approved by MAHLE in writing.

c) The invoice shall be sent together with the delivery note or by electronic post to the MAHLE receiving office simultaneously with the delivery of the ordered Material. The invoice shall show the date, Order number, Supplier number and VAT number if it was stated on the Order and must fulfill any other conditions specified by current Romanian legislation. If these conditions are not fulfilled, the invoice shall be deemed not to have been issued.

d) The invoice shall be paid according to the date determined in the Order or in the open Order framework contract.

e) The Supplier shall not be entitled without the written approval of MAHLE to assign rights accruing from the delivery relations with MAHLE to any third parties.

f) The acceptance of the supplied goods and/or their payment by MAHLE shall be effected subject to invoice checking and enforcement of warranty rights and/or compensation claims. The payment of the supplied goods may constitute the acknowledgement of debt under the enforcement of warranty rights and/or compensation claims.

g) MAHLE shall be entitled to set-off liabilities against receivables that MAHLE or its affiliates may have against the Supplier.

h) The Supplier shall send MAHLE the list of current prices which shall be maintained at the same level until the next changes. Any Order placed by MAHLE before such changes are received shall be deemed concluded at the original price.

### 4. Delivery Dates, Delay in Delivery

a) The delivery time, precision, quality and quantity are of major strategic importance to MAHLE.

b) Agreed delivery times are binding. Compliance with the delivery time shall be determined by the date on which the goods are received at the receiving office or site of utilization stipulated by MAHLE.

c) MAHLE shall not be obliged to accept any earlier deliveries or partial deliveries that have not been previously agreed. If MAHLE is required to receive an untimely delivery, partial delivery or delivery in excess of the agreed value or a delivery differing in any other way compare from that agreed, such as in terms of packaging, for example, then MAHLE shall invoice the Supplier for any costs incurred by the Supplier in connection with such delivery.

d) The Supplier shall undertake to inform MAHLE immediately if circumstances occur that prevent compliance with the delivery dates or the Supplier realizes that it will not be possible to comply with such dates. In this case MAHLE shall be entitled to claim for any damages arising with regard to this delivery.

e) If the Supplier fails to deliver within the stipulated delivery time MAHLE has the right to make settlement and debit the Supplier with penalties amounting to 0.5% of the net value of the delivery for each day of delay. In the case that these penalties do not cover the whole loss that arises out of the delayed delivery, MAHLE has the right to reduce the agreed price, demand delivery of the goods and to claim any damages that result to MAHLE regarding to this delivery.

### 5. Force Majeure

a) Cases of Force Majeure, which cannot be avoided even by taking reasonable care, shall release the contracting parties from their contractual obligations

for the duration of the interruption and to the extent their liabilities are affected. Labor disputes are not deemed to be Force Majeure.

b) In this case the contracting parties shall be obliged to inform one another without delay and shall adjust their obligations to the changed circumstances in good faith within 10 days from the occurrence of the incident.

c) If the hindrance lasts longer than 2 months, both contracting parties shall be entitled to withdraw from those parts of the contract that are as yet unfulfilled.

d) A certificate issued by The Local Chamber of Commerce in accordance with Romanian Legislation must be provided as proof of Force Majeure.

## 6. Shipping, Transfer of Risk

a) Unless otherwise agreed, deliveries shall be made free domicile MAHLE to the receiving office or site of utilization stipulated by MAHLE.

b) The Supplier shall undertake to enclose the relevant delivery notes with the consignments. The Order number of MAHLE and the Supplier number must be stated on the delivery notes and certificate PN EN 10204 2.1 shall be shown on the delivery notes. If these conditions cannot be met, then MAHLE shall not be liable for any ensuing delays in processing.

c) Until the delivery is accepted by MAHLE the Supplier shall bear the responsibility and risk for the delivery and services.

## 7. Quality and Documentation

a) The Supplier shall comply with the recognized technical regulation and state of the art, any applicable safety regulations and the agreed technical data for its deliveries. If MAHLE has sent drawings, samples or other instructions to the Supplier, then the Supplier shall observe them in terms of the design and characteristics of the delivery item. Changes to the delivery item shall require the prior express approval of MAHLE in writing.

b) The Supplier shall undertake to inform MAHLE in any of the following cases: use of different Material than that agreed, change of technology and production methods, transfer of production to a different location or change of Material sources. If there are any deviations or if the Supplier fails to meet any quality requirements or certifications determined by MAHLE, MAHLE shall be entitled to calculate a penalty amounting to 1% of the Order value for each delivery that does not meet these requirements. The penalties may be higher than the value of the Order.

c) The purchaser reserves the right to carry out quality management audits of the production system or

product manufactured by the Supplier. Such audits may be carried out by MAHLE and/or by MAHLE's customers at a previously agreed time, date and framework. The above right of MAHLE shall also apply to any subcontractors.

d) If the Supplier supplies MAHLE with production Material, then the following conditions are binding unless otherwise agreed by the parties in writing.

e) The Supplier shall operate or develop a quality management system based on the latest version of ISO/TS 16949. Certificates from an accredited body or second-party certifications and equivalent QM systems such as VDA Volume 6 Part 1, QS 9000 and ISO 9001 geared specifically to the automobile industry may be recognized. The Supplier shall provide MAHLE with a copy of the latest certificate. MAHLE shall be informed within 48 hours if the certificate is revoked.

f) With regard to the initial sample process, reference is made to the latest version of VDA Volume 2 "Quality assurance of deliveries". Irrespective of this, the Supplier shall continually check the quality of its delivery items. The contracting parties shall also inform one another about other quality improvement methods.

g) If the Supplier and MAHLE have not reached a definite agreement as to the nature and extent of the tests as well as the test equipment and methods, MAHLE shall be prepared, at the Supplier's request, to discuss the tests with the Supplier within the limits of its knowledge, experience and possibilities in Order to determine the required state of the testing technology.

h) In the case of parts mentioned specifically in technical documents or a separate agreement, the Supplier shall moreover record in special drawings when, in what way and by whom the delivery items have been tested with regard to the characteristics specified in the documentation and in the results of the required quality tests. The test documents shall be retained for 15 years and shall be submitted to MAHLE as required. The Supplier shall impose the same obligation on subcontractors within the bounds of what is legally possible. By way of instruction, reference is made to the latest version of VDA Volume 1 "Production of evidence".

i) If authorities or customers of MAHLE ask to inspect the production process and test documents of MAHLE in order to verify certain requirements, the Supplier shall be ready to grant them the same rights in its company and shall give them all reasonable assistance. The Supplier shall impose the same obligation on subcontractors within the bounds of what is legally possible.

j) In other respects, following a reasonable period of notice and during normal business hours, and at intervals MAHLE deems necessary, MAHLE shall be entitled at any time to carry out reasonable inspections and quality audits of the premises in which the Supplier manufactures the Products. MAHLE shall

have the right to terminate the present contract by informing the Supplier in writing to this effect if the supplier fails to comply with the agreed quality standards for a period of three months.

## 8. Hazardous Substances and Preparations

a) The Supplier shall fulfill the legal regulations of the country of manufacture and distribution relating to goods and Materials as well as processes which are subject to special treatment, inter alia regarding their transportation, packaging, labeling, warehousing, treatment, production and disposal on account of laws, ordinances or other regulations, or on account of their composition and impact on the environment.

b) The Supplier undertakes to provide all necessary information about components (heavy metals) relevant to the EU directive on end-of-life vehicles (ELV - End of Life Vehicles to the IMDS database ("International Material Data System") at its own expense; they shall then be deemed declared.

c) The Supplier undertakes to abide by the EU Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) Nr. 1907/2006 of 18.12.2006, hereinafter referred to as "REACH". The Seller shall especially carry out all registrations and preregistrations on time. MAHLE shall not be obliged to carry out any registration. The Supplier acknowledges that the goods cannot be adopted if the REACH requirements are not or not adequately fulfilled.

d) In this case the Supplier shall send MAHLE the necessary papers and documents even before the Order is confirmed. In particular, all hazardous substances and water-endangering Materials may only be delivered after production of an EC safety data sheet and after approval has been granted by MAHLE. If the requirements according to sub-clause 8 a) change during the delivery relations, the Supplier shall immediately send MAHLE the documents relating to the changed requirements.

e) MAHLE shall be entitled to return hazardous substances and water-endangering Materials which were supplied for test purposes to the Supplier free of charge.

f) The Supplier shall be liable to MAHLE for any damage arising as a result of non-compliance with the existing legal regulations, in particular damages suffered by MAHLE and any claims of third parties against MAHLE that result from the supplier negligently not, partially, or belatedly complying with or fulfilling the above provisions in lit. b) - e.).

## 9. Packaging

a) The provisions of the latest valid Packaging Ordinance shall be observed.

b) The Supplier shall take back used, empty packaging

free of charge. If this is not possible, the Supplier shall pay the corresponding, reasonable disposal costs incurred by MAHLE.

c) The Supplier should use recyclable Materials and mark them properly.

## 10. Warranty and Recourse Claims

a) Unless stipulated otherwise in the following provisions, the legal regulations shall apply to deliveries of defective goods. The supplied goods have to be fit for use in accordance with their destination and intended use determined by MAHLE and in accordance with any legal requirements. The Supplier bears full responsibility for any defects, defects in the Material, production and construction. In case of any disagreement or litigation, MAHLE shall determine the existence of a defect and the responsibility.

b) On receipt of the goods from the Supplier, MAHLE shall inspect them for any discrepancies in quantity or visible damage if this is possible in the ordinary course of business. MAHLE shall inform the Supplier within 14 days if any defects are ascertained during this inspection. If MAHLE does not ascertain defects until the supplied goods are processed or used for their intended purpose, MAHLE shall inform the Supplier within 14 days after they are detected. The Supplier shall therefore waive the defense of delayed complaint.

c) If defective goods are delivered, MAHLE has the right either to demand the supply of replacement parts (delivery free of charge) or elimination of the defects. In the case of a subsequent delivery, the Supplier shall bear the cost of taking back the defective parts. In the event of any complaint concerning delivered goods, MAHLE has the right to invoice the Supplier for a lump sum amounting to 3% of the value of the delivery to cover the costs related to settling the warranty issues on the goods under complaint. The Supplier shall then effect payment within the period of 14 days from the day of the demand for payment in writing and its determination by MAHLE.

d) If the Supplier is unable to re-perform or fails to re-perform without undue delay, MAHLE shall be entitled - after setting an additional time limit - to buy replacement parts in place of the defective ones at the Supplier's expense and to undertake actions to eliminate the claim by commissioning a third party. MAHLE may also rectify defects itself or have them rectified by a third party at the Supplier's expense.

e) If the delivery of defective parts leads to costs for MAHLE, e.g. transportation costs, travelling expenses, labor and Material costs or costs for an incoming goods inspection over and beyond the normal scope, the Supplier shall be obliged to pay these costs.

f) Unless otherwise agreed below, warranty claims shall become statute-barred in 2 years from the date

of delivery of the goods (passing of risk). If the Supplier provides MAHLE with production Material, which will ultimately be installed in motor vehicles or engines in accordance with these regulations, the period of limitation shall not begin until the motor vehicle or the end customer commissions the engine. If the motor vehicle or engine has to be registered, the date of first registration shall be decisive when determining the time of commissioning. The legal regulations shall apply to defects in delivery items that are used according to their intended purpose for a construction, or to defects of title.

g) Any further claims, in particular for damages or in connection with warranties of the Supplier, shall not be affected.

h) MAHLE may request the Supplier to reimburse expenses which it had to pay in its customer relationship because the customer has the right to a refund of the expenses required for the purpose of re-performance, especially transportation costs, travelling expenses, labor and Material costs.

i) If, in its capacity as an automotive component supplier, MAHLE is obliged to grant one of its customers a longer or more extensive warranty for defects, then if the Supplier delivers production Material, the Supplier shall also undertake to accept this regulation in future after first receiving written notification thereof. The above regulations relating to warranty requirements also relate to all the spare parts supplied by the Supplier.

j) This Chapter 10 shall apply exclusively and in any case and notwithstanding any provisions to the contrary of Romanian law regarding warranty.

## 11. Product Liability and Recall

a) The Supplier shall bear full responsibility if it has caused a product fault and/or if any product is in breach of property rights, and also for any complaints, damages or losses caused by defective products incurred by participants in the supply chain. If legal action is taken against MAHLE due to product liability or on account of the contravention of official safety regulations according to Romanian or EU law due to the defectiveness of a product which it produced or otherwise put into circulation, the Supplier shall be obliged to indemnify MAHLE, at first request, against all claims, or pay compensation if the defective nature of the product from MAHLE is due to the defective nature of the goods furnished by the Supplier. The Supplier shall also pay any costs that MAHLE incurs by calling on the services of a lawyer or relating to the defence of product liability claims. If MAHLE is subject to special regulations regarding the burden of proof in relations with the injured party, these regulations shall also apply in relations between MAHLE and the Supplier.

b) In product liability cases according to sub-clause 11 a), the Supplier shall provide MAHLE with all necessary information and any support within the bounds of reason and in due time to fend off claims.

c) If MAHLE is obliged to carry out a recall action on account of the defective nature of the goods delivered by the Supplier or this recall action is necessary on account of danger to human health or life or to Material assets, the Supplier shall be obliged to pay the resulting costs.

d) The Supplier shall be obliged to take out and maintain sufficient product liability insurance to cover the risks of product liability, including the risk of recall. At the request of MAHLE, the Supplier shall immediately provide documentary evidence of the conclusion of an insurance contract. If the Supplier is not in a position to furnish evidence of the insurance policies within two weeks, MAHLE shall be entitled to conclude such insurance at the Supplier's expense.

## 12. Industrial Property Rights

a) The Supplier guarantees that all deliveries are free of industrial property rights or copyright of third parties and that MAHLE and MAHLE's customers infringe no industrial property rights or copyright of third parties through the delivery and contractual use of the delivery items. This provision shall also apply to industrial property rights that are published worldwide. The Supplier shall release MAHLE and its customers from any third-party claims arising from any infringements of industrial property rights and shall bear all costs incurred in this respect.

b) This provision shall not apply if the delivery item was produced on the basis of drawings, models or other detailed information from MAHLE and the Supplier was neither aware nor needed to know that industrial property rights or copyright of third parties are thereby infringed.

c) The contracting parties shall be obliged to inform one another immediately about infringement risks that become known and any cases of alleged infringements. The contracting parties shall then take reasonable action by mutual agreement against corresponding claims for infringements of industrial property rights or copyright.

d) The Supplier shall impart all data relating to development works and pending patents relating to the product and also impart all other data relating to technical know-how.

e) By delivering the product, the Supplier assigns MAHLE the unlimited right to use the product within an unlimited period of time, gives MAHLE the option to transfer any copyrights relating to the product and guarantees that the goods are free from any limitations and can be used in accordance with their intended purpose.

## 13. Reservation of Title, Means of Production

a) MAHLE shall not accept any extended or expanded reservation of title on the part of the Supplier.

## 15. Confidentiality

b) Means of production handed over to the Supplier by MAHLE (in particular parts, raw Materials or tools, etc.) as well as supplied documents, samples, models, data, etc. shall remain the property of MAHLE. The Supplier shall be obliged to show that the means of production supplied by MAHLE are the property of MAHLE and shall insure them against fire, water damage and theft at their replacement value at the Supplier's own expense. On request, the Supplier shall provide MAHLE with documentary evidence of the existence of appropriate insurance policies. The Supplier shall carry out any necessary maintenance work at regular intervals at the Supplier's own expense. The Supplier shall inform MAHLE immediately about any damage or faults. All means of production that are at the Supplier's premises and used for manufacturing of the ordered product shall become the property of MAHLE not later than upon final payment. MAHLE shall also have the right to buy them at any time and at book price. These means of production shall not be used for the manufacture or construction of products for third party customers or for other purposes.

c) Processing, modification or installation of means of production made available to the Supplier by MAHLE shall be carried out in the name of MAHLE. If processing, modification or installation leads to inseparable mixing of MAHLE's products with products of the Supplier or a third party, MAHLE shall acquire joint ownership of the new product in proportion to the value of MAHLE's product with the new product. If processing, modification or installation is carried out in such a way that MAHLE's products can be regarded as an integral part of a main product of the Supplier, it shall be deemed to have been agreed that the Supplier shall grant MAHLE joint ownership of the main product in proportion to the value of MAHLE's product with the new product. In both cases the Supplier shall hold the joint ownership share of MAHLE for MAHLE.

d) The Supplier shall use the means of production, documents, samples, models, data, etc. received from MAHLE solely for the purpose of manufacturing goods ordered by MAHLE. On request, the means of production, etc. shall be returned immediately at any time free of charge. If the Supplier is the joint owner of the means of production, they shall be returned gradually in return for payment of the Supplier's joint ownership share. The Supplier may only enforce a right of retention if the basic claim has been accepted in writing by MAHLE or has been legally recognized.

## 14. Provision of Spare Parts

The Supplier is under an obligation to supply spare parts to MAHLE for the stipulated lifetime of the end products for which the products are to be used. The minimum period shall be 15 years after the end of the series production in sufficient quantities for use as spare parts and at the series price.

a) The contracting parties shall give an undertaking to treat all Orders and all related commercial and technical details as business secrets. In particular, all diagrams, drawings, calculations, quality guidelines, samples and similar items shall be treated as strictly confidential. Confidential information may only be copied and transmitted within the scope of operational requirements. Confidential information may only be disclosed to third parties after prior written permission has been obtained.

b) Technical and commercial details may be provided to a third party only after prior approval has been given by MAHLE in writing.

c) The Supplier shall undertake to impose the same obligation to maintain secrecy on subcontractors. Confidential information provided to the Supplier by MAHLE may only be used by the Supplier as agreed.

d) The obligation to maintain secrecy shall apply even after the delivery relations have ended. At the end of the delivery relations the Supplier shall undertake to return to MAHLE all business secrets if they are embodied or stored on electronic data media. All business secrets shall be removed from the data-processing systems of the Supplier. Copies, in whatever form, shall be destroyed in such a way that reconstruction is impossible.

## 16. Place of Performance, Applicable Law, Place of Jurisdiction

a) The place of performance for the Supplier's delivery obligations shall be the receiving office or site of utilization specified by MAHLE. The place of performance for payment obligations shall be the head office of MAHLE.

b) The law of the Romanian State shall apply exclusively. The place of jurisdiction for all disputes arising from business relations between the contracting parties shall be the court of competent jurisdiction at the head office of MAHLE. MAHLE also reserves the right to choose the court appropriate to the location of the Supplier's premises.

## 17. Final Provisions

a) If one contracting party stops making payments without just cause or an application is made to open insolvency proceedings against the party's assets, the other contracting party shall be entitled to withdraw from the contract on account of the unfulfilled parts of the contract.

b) If one of the above-mentioned provisions is or becomes unenforceable or invalid, the validity of the other provisions shall not be affected. The invalid or unenforceable provision shall be deemed to have been replaced by a provision which comes as close as possible in legal terms to the contracting parties' original meaning and the purpose of the invalid or unenforceable provision. This shall also apply to any loopholes in the contract.

c) The Parties especially agree that in the event that one of the above-mentioned provisions does not comply with Romanian legislation (at the time at which the contract is in effect), the contract shall prevail.

d) This English language version of the General Terms and Conditions of Purchase of the Romanian companies of the MAHLE Group serves exclusively for the purposes of information and translation. In the event of any discrepancies between the terms of the Romanian and the English language version, the Romanian language version shall prevail in all cases. In the event of disagreement or litigation, the Romanian language version shall also be the decisive version for the interpretation of individual provisions of the General Terms and Conditions of Purchase of the Romanian Companies of the MAHLE Group.

Status: January 2008