

## General terms and conditions of purchase for the Austrian companies of the MAHLE group

### 1. Definitive terms

a) The following general terms and conditions of purchase (Allgemeine Einkaufsbedingungen, „AEB“) apply exclusively to all purchases made by the Austrian companies of the MAHLE group („MAHLE“). They apply equally to the purchase of production material (for the purpose of MAHLE's own serial production, in particular raw materials, materials, components, including parts) such as for the purchase of spare parts, tools or machines as well as other products of any kind („Products“ as a whole), unless the applicability of one of the following provisions of these buying conditions is restricted to individual or certain types of objects for purchasing. When delivering products to MAHLE, the supplier accepts the present AEB.

b) The supplier's general terms and conditions or other deviating terms do not apply, unless they have been acknowledged explicitly in writing by MAHLE. These AEB also apply in all cases where MAHLE accepts the supplier's shipments without disagreeing with those of the supplier's terms that deviate from this AEB (whether or not MAHLE is aware of them). All references or information by the supplier with regard to the validity of his General Terms and Conditions are herewith explicitly rejected.

c) This AEB also applies to all future business with the supplier.

d) The provisions of this AEB apply in addition to all other potential agreements made between the parties in addition, e.g. framework delivery contract, quality agreement.

### 2. Offer, offer documents

a) Inquiries by MAHLE at the supplier's regarding his products and their delivery terms, or requests by MAHLE to submit an offer, do not bind MAHLE in any way.

b) Orders placed by MAHLE are valid and binding only if they are in writing. A signature by MAHLE is not required. The requirement for written form is fulfilled if the transfer is made via fax, email or any other electronic remote data transmission system.

c) The supplier's quotations are binding and are not to be paid unless something else was agreed expressly.

d) A valid and binding contract between MAHLE and the supplier becomes effective, including the AEB, by

- the written order sent to the supplier by MAHLE, and
- its express written acceptance (order confirmation) by the supplier, which must be received by MAHLE within seven days after the order date, or
- the start of the delivery of the products ordered by MAHLE by the supplier at due date, according to the order.

Each order confirmation by the supplier that deviates from the order placed by MAHLE represents a new buying quotation and must be accepted in writing by MAHLE.

e) Even after the order has been confirmed by the supplier, MAHLE can request changes to the products at any time (in particular also with respect to the construction and the design of the products). In this case, the supplier shall immediately inform MAHLE on the consequences of this change request, in particular with respect to additional charges or cost reductions, as well as the delivery date, and the parties shall agree a contract adaptation if required.

f) If the contract or the order allows for the products to be appropriated by call-off, then these call-offs become binding 2 days after they have been communicated to the supplier, unless the supplier has objected to them in writing by that time.

### 3. Prices, Most-Favourable privilege, payment terms

a) The price listed in an order is binding. In the absence of an agreement to the contrary, the price is „DDP“ as per Incoterms 2000 including packaging.

b) If delivery terms as per Incoterms 2000 are agreed where MAHLE pays for transportation, the products must be transported by a forwarder authorised by MAHLE.

c) Should the supplier ship the products that are covered by the contract, or similar products, to a third party, in comparable quantities and at more favourable terms, especially with respect to price, deductibles, technology, quality, payment terms, terms of delivery or other conditions (hereinafter called „the terms“) during the term of a contract on the delivery of products, then the supplier shall inform MAHLE of this fact promptly and grant MAHLE these more favourable terms automatically. The new terms apply retroactively from the point in time when the supplier granted these favourable terms to the third party.

d) The invoice must be mailed promptly after delivery by separate mail in triplicate to MAHLE's postal address. It must contain the date, order number and supplier number. If these requirements are not met, MAHLE shall not be held responsible for the resulting delays in invoice processing and settlement.

e) Invoices are paid within 30 days after delivery and receipt of invoice with 3 % discount, no later than within 60 days after delivery and receipt of invoice strictly net.

f) Payment by MAHLE is by transaction. Other payment terms as well as credit/accounting procedures must be arranged separately between the parties in order to apply.

g) The acceptance of the delivered goods without giving notice of defects and/or their getting paid

by MAHLE does not represent the waiver of later raising of a claim for warranty, damages or other claims against the supplier.

### 4. Delivery dates, delivery delay

a) The delivery dates agreed with the supplier are binding. For adherence to the delivery deadline, the receipt of products at the place of destination named by MAHLE, or the provisioning of the products ordered for collection by the supplier, provided it is verifiable that this occurred on time, prevails, depending on the delivery term agreed.

b) If the supplier defaults on a delivery, he must pay a contractual penalty in the amount of 1 % of the purchase price of the delayed products per week of delivery delay commenced, but no more than 5 % of this purchase price, to MAHLE. The right of raising further claims for compensation, as well as the right to withdraw from the contract, remains unaffected by this for MAHLE. Furthermore, the supplier must compensate MAHLE for the following costs in the event of default: special travelling costs (both from suppliers to MAHLE as well as from MAHLE to its customers), additional preproduction costs in production, additional costs due to special shifts, loss of production costs, exchange costs/alteration costs, additional testing costs and loss of profit resulting from the delivery delay. A contractual penalty paid by the supplier is, however, subtracted from the compensation claim asserted.

c) Deliveries ahead of schedule are accepted by MAHLE only after special written agreement. If the supplier delivers the products earlier than the agreed delivery time, MAHLE shall reserve the right to return the products at supplier's risk and expense. If, in the event of delivery ahead of schedule, the products are not returned by MAHLE, they shall be stored at supplier's risk and expense until the agreed delivery date. In case of delivery ahead of schedule, MAHLE is entitled to use the agreed delivery date as the basis for calculating the term of payment.

d) As soon as the supplier realises that a delivery date agreed with MAHLE or an agreed delivery quantity, respectively, cannot be met, he must inform MAHLE promptly, without prejudice to items a) and b), specifying the reasons, the estimated length of the delay and the consequences, while announcing the measures intended to prevent these consequences.

e) All extra journeys that the supplier decides to take must be communicated to MAHLE's logistics department, specifying the order date/ordering information as well as the reason for the extra journey and announcing the measures intended to correct these reasons, at the beginning of a calendar month for the previous month. The supplier must initiate the corrective measures promptly.

f) For each case of culpable

- Deviation from delivery and packaging instructions,
- Delivery ahead of schedule, o
- Excess delivery

MAHLE is entitled to claim additional expenditures for logistics as a generalised compensation in the amount of EUR 100.00 (notwithstanding the right to assert a higher claim for compensation in a given case). In any event, the supplier is entitled to prove that MAHLE has not suffered any damage, or damage that amounts to less than this lump sum.

## 5. Shipping, passing of risk

a) The place of fulfilment for the supplier, subject to the commercial terms (in particular Incoterms 2000) common in the automotive industry and specified in the order, is the receiving location/point of use or collection point specified by MAHLE in the order. This location shall also be definitive for the passing of risk. If such a provision is absent, the delivery must be made DDP (Incoterms 2000) to the receiving location or point of use specified in the order. In this case, the risk passes on to the receiving location/point of use agreed, at the point in time the delivery is made.

b) The supplier is obligated to include the associated delivery notes with the deliveries. All contents must be listed on the delivery notes, according to standard VDA 4913, in particular MAHLE's order number and the supplier number. If these requirements are not met, MAHLE shall not be held responsible for the resulting delays in processing.

## 6. Quality and documentation

a) The supplier must comply with the generally recognised codes of practice and the applicable safety regulations with respect to his deliveries. If the supplier has received drawings, samples or other regulations or documents from MAHLE, he shall observe them with respect to execution and quality characteristics of the delivery item. Changes of the delivery item, of an already released production process, or its relocation to another location require prior approval by MAHLE in writing.

b) If the supplier delivers production material to MAHLE, the following provisions apply additionally, unless something else has been requested by MAHLE in a given case, or agreed with the supplier in writing.

c) The supplier maintains or develops a quality management system based on ISO/TS 16949: 2002 in the current version. Certificates issued by an accredited office or 2nd party certifications, as well as QM-system of equal value such as e.g. VDA volume 6 part 1, QS 9000 and ISO 9001, with automobile-specific orientation, can be approved by MAHLE following prior testing by MAHLE. The supplier shall provide MAHLE with a copy of the current certificate and shall mail unrequested a new certificate to MAHLE once the validity date of the certificate has expired. In case of cancellation, MAHLE must be informed promptly.

d) For each case of culpable non-compliance of a requirement from the quality management system applicable as per item c), the supplier must pay MAHLE a contractual penalty in the amount of EUR 5,000.

e) The initial sampling is done according to the latest version each of VDA-writing volume 2, „Safeguarding delivery quality“ or according to PPAP (QS 9000). In addition to the initial sampling, the supplier must enter all material data into the material database IMDS respectively; the released and accepted IMDS entry of all relevant material data is a component and prerequisite of each successful initial sampling.

f) Independent of successful sampling as per item e), the supplier must continuously examine the quality of the delivery items. Furthermore, the contracting partners shall inform each other on possibilities regarding further quality improvements.

g) If the type and the scope of the tests, as well as the test devices and testing methods, are not firmly agreed upon between the supplier and MAHLE, MAHLE is prepared at the supplier's request, within the scope of its knowledge, experience and possibilities, to discuss the tests with the supplier in order to determine the required status of test engineering.

h) For products specifically identified in the technical documents or by special agreement, the supplier shall furthermore record in special notes when, how, and by whom the delivery items have been tested with respect to the characteristics that require documentation, and what findings resulted from the required quality tests. The testing documents must be stored for a period of 15 years and submitted to MAHLE as needed. The supplier must obligate presuppliers to the same degree to the extent permitted by law. We refer to the latest version of the VDA-writing volume 1 „Procedure of furnishing proof“.

i) Insofar as public authorities and customers of MAHLE justifiably have insight into MAHLE's production process and testing documents to check certain requirements, based on pertinent legal provisions, the supplier is obligated to permit insight into his production procedure and his testing documents as well and to provide any reasonable support in this context. The supplier must obligate presuppliers to the same degree to the extent permitted by law.

j) Incidentally, MAHLE can perform appropriate inspections and quality audits of the facilities where the supplier manufactures the products at any time, following reasonable announcement and during the normal business hours at the intervals deemed necessary by MAHLE. MAHLE is entitled to cancel existing contracts with the supplier by written communication to the supplier, if the supplier neglects to adhere to the agreed quality standards for a period of three months.

k) The supplier must assign the obligations pertaining to him based on this article of the contract completely to any sub-suppliers.

## 7. Hazardous materials and preparations

a) For goods and materials as well as for procedures that must receive special treatment, among others, with regard to transportation, packaging, labelling, storage, handling, manufacture and disposal, based

on laws, regulations, and other provisions or based on their composition and their effect on the environment, it is mandatory that the supplier fulfils the legal provisions of the country of manufacture as well as of the distribution country.

b) In this case, the supplier shall surrender the required papers and documents to MAHLE even before confirming the order. In particular, all hazardous substances and water-hazardous substances can only be delivered after submitting an EU-safety data sheet and following release by MAHLE. Should the requirements as per item a) change in the course of the delivery relationship, the supplier shall send the papers and documents corresponding to the modified requirements to MAHLE promptly.

c) If MAHLE does not have the documents listed in item 8. b) on hand at the point in time of order confirmation, then MAHLE is entitled to withdraw from the contract with the supplier unless the supplier hands in the documents listed in item 8. b) within an additional 14 days grace period set by MAHLE. In this case, the supplier shall be liable to MAHLE for all potential damages resulting from the justified avoidance of contract.

d) MAHLE is entitled to return hazardous substances and water-hazardous substances supplied for experimental purposes free of charge to the supplier.

e) The supplier is liable to MAHLE for all damages resulting from the culpable non-compliance with existing legal regulations in this respect.

f) MAHLE shall compile a „Banned substances list/list of declaratory substances“ on the MAHLE homepage ([www.mahle.com](http://www.mahle.com)) solely for the purpose of information and excluding any responsibility for its accuracy and completeness.

g) The supplier shall ensure that the requirements of the EU Chemicals Act REACH (Act (EU) No. 1907/2006, derivation EU of 30/12/2006) - hereinafter called „REACH“ - are complied with, in particular that pre-registration as well as registration occur on schedule each. MAHLE is in no way obligated to perform the (pre-) registration. The supplier is aware of the fact that the products cannot be used unless the REACH requirements have been duly and completely fulfilled.

h) The relevant components (heavy metals) according to the EU-ELV (End of Life Vehicles) must be entered into the IMDS database by the supplier at his own expense and are thereby considered declared.

i) Based on the EU-ELV, the supplier is obligated to ensure the following:

- Preparation and forwarding of a component-related concept for drainage and reduction of harmful substances;
- Compliance with the identification standard VDA 260 for materials and components;
- Provision of a disposition concept for selected vendor parts in coordination with MAHLE;
- Highest possible recycling portion and use of renewable raw materials in coordination with MAHLE.

j) Apart from that, in fulfilling his contractual obligations, the supplier must comply with all legal and official regulations with respect to environmental protection.

k) The supplier must release MAHLE completely from all consequences, in particular damages of MAHLE and claims by third parties against MAHLE, that are the result of the supplier culpably not, not completely, or not in a timely manner complying with or fulfilling the above regulations from items f) - i).

## 8. Packaging

a) The supplier must observe the requirements of the packaging ordinance currently in force.

b) The supplier must take back used packaging that is empty of residues free of charge. Should this not be possible, he shall defray the corresponding appropriate disposal costs for MAHLE.

## 9. Warranty and recourse

a) In the event of inadequate services, legal provisions apply unless something different arises from the following provisions (in particular for production material).

b) MAHLE shall examine the products delivered by the supplier for production purposes (production materials) at the time of receipt with respect to the match between ordered and delivered goods, for any quantity variations as well as damages that are visible on the outside, as far and as soon as this is feasible according to proper business routines. MAHLE shall promptly inform the supplier of any defects found in these tests. Apart from that, the supplier refrains from having MAHLE perform further incoming goods inspections. Other defects not found by MAHLE until the delivered goods are processed, or until they are used as intended, are announced to the supplier by MAHLE promptly as soon as they have been detected. In this respect, the supplier renounces the right of objection regarding delayed notice of defects.

c) For an inadequate delivery, the supplier must first be given the opportunity for subsequent performance, that is, to either provide correction of faults or delivery of a new item (spareparts) at MAHLE's choice. In both cases, the supplier shall defray all costs arising for him or for MAHLE, e.g. transportation, travel expenses, labour and material costs, or costs for incoming control that exceed the usual volume. The same applies to any dismantling and installation costs. In the event of subsequent delivery, the supplier must take all defective products back at his expense.

d) If subsequent performance fails or if it is unacceptable for MAHLE or does not occur within a reasonable period of time following a reproof by MAHLE, then MAHLE can withdraw from the contract / from the order without setting any further deadline and can also return the products, at supplier's risk and expense. In this, and in other, urgent cases, in particular to avert acute hazards or to avoid major dama-

ge, if it is no longer possible to inform the supplier of the damage and to set him a deadline, albeit a short one, to take remedial action, MAHLE can carry out the removal of the defect itself or have it carried out by a third party, at the expense of the supplier.

e) Warranty claims by MAHLE against the supplier lapse, unless arranged otherwise below, 30 months after the goods were received by MAHLE. For material defects in delivery items that, according to their usual application, are commonly used for a building, or for defects of title, legal regulations apply. In the case of the delivery of spare parts (cf. item c)), the period of limitation starts afresh at the time they are delivered to MAHLE. If the supplier delivers production material to MAHLE that is ultimately installed in motor vehicles or engines as intended, the start of the legal warranty term is postponed until the motor vehicle or the engine is started up by the ultimate buyer for the first time.

f) Further claims, in particular from the indemnity title or from a warranty granted to MAHLE by the supplier remain unaffected.

g) In each case of deficiency of a delivery, the supplier must pay generalised damages to MAHLE in the amount of € 100.00, regardless of whether MAHLE is entitled to additional claims against the supplier.

h) If MAHLE, in its capacity as an automobile supply firm, commits to a longer lasting or more extensive warranty towards one of its customers, the supplier is obligated, insofar as he delivers production material, to have this regulation apply to him as well for the future, after prior written announcement.

i) Insofar as MAHLE clients - routinely automobile manufacturers - use a reference market procedure or any similar procedure that is commonly used in the automobile industry, to determine and account for warranty cases, and make claims to MAHLE for defects in products by MAHLE that result from defects in the supplier's products, this procedure is also applied to the supplier's delivery relationship to MAHLE.

## 10. Product liability and recall

a) If the supplier has caused a product defect and/or (depending on the underlying basis for the claim) is responsible for it, the supplier is obligated to replace the resulting damage at first request and to release MAHLE from all claims by third parties, provided the cause for the claim lies within the supplier's control and organisation and the supplier would himself be liable towards third parties. If MAHLE has contributed to causing the damage or in the event of contributory negligence on the part of MAHLE, the supplier can assert this contributory negligence or this contributory cause against MAHLE. In the relationship between MAHLE and the supplier, the respective portion of the damages is based upon the corresponding proportion of contributory negligence (§ 1302 ABGB) and/or contributory cause.

b) The suppliers' duties as per item a) also include the costs accrued for MAHLE by availing itself of a solicitor's assistance or otherwise arise in connec-

tion with averting product liability claims. If MAHLE is subject to evidence rules that are disadvantageous to MAHLE, then these evidence rules also apply to the relationship between MAHLE and the supplier, if the circumstances to be proven are not to be attributed to MAHLE's area of responsibility.

c) In the case of product liability cases as per item a), the supplier shall give all required information and support to MAHLE, within reasonable limits, in order to avert the claims.

d) If a recall action or an owner notification program is required to fulfill a legal provision or an obligation concerning MAHLE according to civil or public law, or is required as a safety measure to avert damage to persons or death, the costs, including among others labour costs, transportation costs and costs for preservation of evidence, are divided based on the contributory negligence to be assigned to the contracting parties (§ 1302 ABGB). MAHLE shall inform the supplier - if possible and appropriate - of the contents and the scope of the recall action to be performed and gives the supplier the opportunity to comment. All other claims by MAHLE remain unaffected by this.

e) The supplier is obligated to take out and to maintain sufficient product liability insurance to cover the risks of product liability including recall risk. At MAHLE's request, he must provide proof promptly after taking out such insurance. If the supplier is unable to provide proof of the insurance policy within two weeks, MAHLE is entitled to take out such insurance at the supplier's expense.

## 11. Trade mark rights

a) The supplier ensures that MAHLE or MAHLE customers, by the purchase, ownership, offering, use, processing or resale of the products do not infringe on the intellectual property rights of third parties, in particular no trademark rights, company, name, patent, registered design, design patent, features, design or copyrights of third parties (including corresponding protective rights applications) („trademark rights“) in the supplier's country of origin, as well as within the Federal Republic of Germany, the European Union, the USA, Canada, Brazil, Argentina as well as Australia, China and Japan. If the supplier culpably infringes on this duty, then he shall release MAHLE and MAHLE its customers at first request from any claims by third parties from such actual or alleged trademark right infringements and bears all costs and expenses accrued by MAHLE in this context, in particular prosecution and defence costs on the one hand, and costs resulting from the violation of a potential duty of omission on the other hand.

b) Item a) does not apply if the delivery item was manufactured according to drawings, models or other detailed information by MAHLE and the supplier neither knew nor had to know that doing so would violate trademark rights by third parties.

c) The parties are obligated to inform themselves promptly of risk of injury that have become known and alleged cases of injuries, and shall counteract such injury claims by mutual agreement within reasonable expectations.

d) Supplier claims from trademark rights violations against MAHLE lapse no later than 3 years after the corresponding contract with MAHLE was signed.

### 12. Title retention, production resources

a) With complete payment of the purchase price for the products, these shall unconditionally become the sole property of MAHLE. Any extended or expanded title retention by the supplier for delivered products is excluded.

b) All parts, raw materials, tools, materials or other instruments or objects that are made available by MAHLE or that are purchased by the supplier at the expense of MAHLE (and whose acquisition costs were reimbursed by MAHLE or accepted into the prices to be paid for the products and which have been paid completely) and that are associated with the manufacture of the products or are used to that end („production resources“), shall remain or become the sole property of MAHLE („MAHLE property“). For all drafts, samples, drawings, data, models, or other information and documents („MAHLE documents“) all rights remain with MAHLE as well. The supplier expressly agrees that MAHLE property or MAHLE documents shall not be used for manufacture or construction of products for third party customers without prior written authorization by MAHLE.

c) The supplier owns MAHLE property and MAHLE documents as a trustee for MAHLE and shall store them separately from any property belonging to other persons, and shall label MAHLE property and MAHLE documents clearly as the property of MAHLE. MAHLE property and MAHLE documents are not removed from the supplier's premises without written instructions by MAHLE, except for the purpose of fulfilment of the contract.

d) The supplier is obligated to insure MAHLE property at his expense against fire, water and theft at their replacement value and to maintain these insurances. The supplier shall provide proof regarding the existence of such insurances to MAHLE on request. The supplier shall perform maintenance work on MAHLE property if required, at the usual intervals and at his own expense. He must inform MAHLE promptly of damages or malfunctions.

e) To the extent that MAHLE provides the supplier with products, raw materials, or other material („goods“) for him to manufacture products with, MAHLE reserves the right of ownership for these goods. The manipulation/processing, conversion or installation or remodelling of such goods by the supplier is done for MAHLE. If goods belonging to MAHLE are processed with other objects that do not belong to MAHLE, MAHLE shall acquire co-ownership in the new product in proportion of the value of the MAHLE goods (purchase price plus VAT) to the other objects processed at the time of processing.

f) If the goods provided by MAHLE are combined or mixed inseparably with other objects that do not belong to MAHLE, MAHLE acquires co-ownership in the new product in proportion to the value of its reserved goods (purchase price plus VAT) to the other

combined or mixed objects at the time of bonding or mixing. If the bonding or mixing occurs in such a way that the supplier's objects are to be considered as the main object, it is agreed that the supplier shall transfer co-ownership to MAHLE proportionately; the supplier stores and safekeeps the sole property of MAHLE or the co-property of MAHLE in the name of MAHLE.

### 13. Non-disclosure

a) The contracting partners commit to treat all confidential information that they receive directly or indirectly from the other contracting partner, as confidential. Orders and all associated commercial and technical details must be treated as confidential information as well. In particular, all figures, drawings, calculations, quality guidelines, samples and similar objects must be kept a secret. Duplication and disclosure of confidential information is permitted only subject to the industrial requirements associated with the business relationship to MAHLE. They must not be released to third parties without prior approval in writing.

b) The above-mentioned obligations do not apply to such confidential information for which the contracting partner who receives the information can prove that it

- was already generally accessible at the point in time the information was provided, or was made generally accessible afterwards without his fault;
- was already in his possession at the time the information was disclosed to him;
- was made accessible to him by a third party without the obligation to secrecy and non-use, while it is assumed that these third parties did not receive the information directly or indirectly from the other contracting partner;
- must be communicated to public authorities based on legal provisions.

c) The supplier commits to obligate sub-suppliers to maintain secrecy to the same extent. The supplier may use the secret information supplied to him by MAHLE exclusively as intended.

d) The non-disclosure obligation applies for a period of 3 years beyond the end of the delivery relationship. The supplier commits to release all confidential information received, after the end of the delivery relationship, to MAHLE, insofar as they are represented or filed on electronic storage systems. The fulfilment of the obligations from the last two sentences must be confirmed in writing by the supplier to MAHLE at MAHLE's request.

### 14. Order development

Insofar as the supplier performs development work for MAHLE for production material or processing materials (in particular tools), the costs of which are either paid by MAHLE separately and/or are reimbursed through the prices to be paid for the products (order development), the following applies:

a) The supplier shall achieve a development result that is free of the trademark rights of third parties; item 12 applies correspondingly.

b) The legal ownership in all development results (including all inventions, know-how, experimental and development reports, suggestions, ideas, drafts, designs, proposals, samples, models, etc.) which the supplier achieves in the context of the collaboration („work results“), falls to MAHLE at the time of their creation.

c) Insofar as the work results are eligible for trademark protection, MAHLE is entitled in particular to register trademark rights at home and abroad, at their own discretion, to pursue them, and also to drop them at any time.

d) The supplier must utilise inventions that are eligible for trademark protection, which are made by his employees in the process of executing this contract, unconditionally by declaration towards the inventor; the rights to the invention must promptly be transferred to MAHLE.

e) Insofar as the work results are protected by the supplier's copyright laws, the supplier shall grant MAHLE as well as its affiliates the exclusive, complimentary, irrevocable, sublicensable, transferable, temporally, spatially and contents-wise unlimited right to make use of and exploit these work results in any way free of charge and at will. Insofar as work results arise in the form of software, the rights of use and exploitation rights are not restricted to the object code. MAHLE has above all a right to transfer of the source code and the documentation. MAHLE can request the transfer at any time, even while the development project is being carried out.

f) The supplier (as well as his affiliates) is and remains the owner of the inventions made before the start of the collaboration and of the trademark rights registered or issued as well as of the copyright laws, design patent rights and know-how („previous proprietary rights“) existing before the start of the collaboration.

g) Insofar as previous proprietary rights are required for the utilisation or the further development of the development results, MAHLE shall receive a temporally and locally unlimited, complimentary, non-exclusive, sublicensable, transferable and irrevocable right of use in these.

h) Insofar as the supplier engages subcontractors in the context of the services to be rendered by him, he is obligated to ensure by means of suitable contractual agreements that MAHLE receives the property rights and rights of use corresponding to the regulation in this item 14.

### 15. Spare part supply

The supplier commits to ensure spare parts supply for the intended lifespan of the final products for which the products are to be used. The minimum period of time for this is 15 years after serial production of the products has ended. In good time prior to

the end of the minimum period of time, the supplier grants MAHLE the option of placing a final order for the all-time demand.

## 16. Cancellation/suspension of orders/contracts

a) If insolvency proceedings are legally initiated against a supplier's assets, or if an application to initiate bankruptcy proceedings on a supplier's assets for lack of availability of cost-covering assets is dismissed with prejudice, MAHLE is entitled to resign from the contract, analogous to the provisions of § 21 KO.

b) In case of long-term contracts on the delivery of goods, the provisions listed in items c) - e) apply regarding duration and termination.

c) MAHLE is entitled to cancel these contracts with 6 months notice, the supplier with 9 months notice, in writing.

d) In those cases where a MAHLE customer cancels or changes his order without cause or extraordinarily, MAHLE is entitled to make a different arrangement which takes these circumstances into account, together with the supplier, regardless of MAHLE's right to cancellation as per item c) of this contract item.

Unless agreed otherwise, the following integrity levels apply:

- The amount specified for the month following the order (month 1) is considered obligatorily ordered.
- The amount ordered for the next month (month 2) entitles the supplier to obtain primary material. If this amount is not accepted later on by MAHLE, then the supplier is entitled to invoice the primary material procured to MAHLE, while MAHLE can request delivery of the primary material.

Additional quantities manufactured and acquired are exclusively for the supplier's account and risk.

e) Each party is entitled to dissolve a contract at any time without notice for cause. An important reason is on hand especially in the following cases:

- Suspension of payment on the part of one party, initiation of insolvency proceedings on the assets of one party, rejection of a petition for bankruptcy for lack of the contracting party's amount of assets required to cover the cost of the proceedings, or liquidation of one of the parties;
- Violation of essential contractual obligations; in the case of a violation that can be corrected, but not before the guiltless party has asked the other party in writing to correct the violation, has warned the other party of the pending termination for cause, and has granted an appropriate final deadline of at least four weeks, which expired unsuccessfully;
- Due to a change in its shareholders or stockholders, one party comes under the controlling influence of a competitor of the other party.

f) In case of the cancellation or other termination of a contract, the supplier must give back MAHLE property and MAHLE documents (cf. item 12 b)) as well

as all other objects made available by MAHLE, including all drawings and other documents, devices and tools.

## 17. Other provisions

a) Should one of the above-named regulations be or become void or impracticable, the validity of the remaining regulations remains unaffected. In the place of the void or impracticable provision, such a provision is considered agreed that approximates the original intent and purpose of the void or impracticable provision intended by the contracting partners as closely as possible. The same applies to potential loopholes in the contract.

b) The supplier must not assign or transfer orders or other rights from the contract signed with MAHLE, neither completely nor in part, without prior written authorisation by MAHLE.

c) The supplier may use subcontractors to fill an order or part of an order only with express prior written approval by MAHLE.

d) This English language version of the General terms and conditions of purchase for the Austrian companies of the MAHLE corporation serves exclusively for the purposes of information and translation. In the event of any discrepancies between the terms of the German and the English language version, the German language version shall prevail in all cases. In the event of disagreement or litigation, the German language version shall also be the decisive version for the interpretation of individual provisions of the General terms and conditions of purchase for the Austrian companies of the MAHLE corporation.

## 18. Place of fulfilment, applicable law, place of jurisdiction

a) The place of fulfilment for the supplier's delivery duties is the receiving location or point of use named by MAHLE respectively. The place of fulfilment for MAHLE's duty to pay is the registered office of MAHLE.

b) With respect to the existing contractual relationship between the supplier and MAHLE, and if necessary from this or from the violation of pre- and subcontract protective duties and due diligence that affect the contracting parties, Austrian law applies exclusively. The Vienna convention on international sale of goods (CISG) does not apply.

c) For all conflicts from the business relationship between the contracting parties, it is agreed that the court in Klagenfurt shall be the competent court for subject matter jurisdiction. MAHLE is furthermore entitled to engage the supplier at its place of jurisdiction as well as at its own choosing.

Effective: January 2008