

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

### DEFINITIONS

In these General Terms and Conditions of Purchase (GCP) the terms below shall have the following meanings:

- “MAHLE” – means the Polish 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 Polish company of the MAHLE Group
- “Order” - means purchase order

### 1. Determining conditions

a) The following General Terms and Conditions shall apply exclusively. MAHLE only accepts the General Terms and Conditions or other different conditions of the Supplier if they have been expressly approved in writing.

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 of the Supplier 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.

Supplier shall guarantee to apply preferential price conditions by granting MAHLE an adequate discount that is fair to both parties, and shall guarantee MAHLE a preferential status in terms of technology, quality of goods etc.

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

c) The invoice (2 copies) shall be sent by separate post to the MAHLE postal address as soon as the goods have been delivered. The invoice shall show the date, Order number, Supplier number and Material number if it was stated on the Order. If these conditions are not fulfilled, the invoice shall be deemed not to have been issued.

d) The invoice shall be paid in accordance with 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 claims accruing from the delivery relations with MAHLE to any third parties.

f) The acceptance of the supplied goods and/or their payment by the purchaser shall be effected subject to invoice checking and 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.

Supplier for any costs incurred 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.

e) If it is realized that the delivery cannot be made at the agreed time, MAHLE shall have the right to make settlement and the Supplier shall incur a contractual penalty amounting to 0.5% of the net value of the delivery for each day of delay. If the penalties levied in accordance with this agreement do not cover the entire losses incurred by the purchaser as a result of the delayed delivery then the purchaser shall be entitled to use general regulations to recover the payment.

### 2. Offer, Offer Documents

a) Orders shall only be valid if they are effected in writing. It shall not be necessary for MAHLE to sign Orders. The written form shall be deemed to have been observed if Orders are sent by fax, e-mail or another electronic data transmission system.

b) The Supplier shall confirm that it is aware of the content of the Order, understands it and accepts the Order as well as the GCP. Each Order must be confirmed by the Supplier on the Order confirmation form immediately after receipt of the Order. If the Supplier does not raise any objections in writing within 14 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. MAHLE reserves the right to change or terminate the Order or a contract with a notice period of one month.

### 3. Prices, Invoices, Payment

a) The price shown in the Order shall be binding. In the absence of a different agreement, the price shall include packing and shall be the delivery condition “DDP” (Delivered Duty Paid) according to Incoterms 2000. By way of good cooperation with MAHLE, the

### 4. Delivery Dates, Delay in Delivery

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

b) The agreed delivery times shall be 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 accept an untimely delivery, partial delivery, a delivery in excess of the agreed value or a delivery differing in any other way from that agreed, such as in terms of packaging, then MAHLE shall invoice the

### 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 undertake to inform one another without delay and shall adjust their obligations to the changed circumstances in good faith within 10 days of 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.

### 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, the Supplier number, Material number if stated on the purchase 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 regulations and state of the art, any applicable safety regulations and the agreed technical data for its deliveries. In terms of the design and characteristic features of the delivery item, the Supplier shall comply with any drawings, samples or other specifications or documents received from MAHLE. 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 a change of sources for the Materials. If there are any deviations, or if the Supplier fails to meet any quality requirements or certifications determined by MAHLE, then MAHLE shall be entitled to calculate a penalty amounting to 3% for each delivery that does not meet these requirements.

c) The purchaser reserves the right to carry out quality management audits of the premises in which the Supplier manufactures the Products according to a previously agreed time, date and framework. The above right of MAHLE shall also apply to any sub-suppliers.

d) If the Supplier supplies MAHLE with production Material, then the following conditions shall be binding unless otherwise agreed with MAHLE in writing for individual cases or unless there was no prior agreement with the Supplier.

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 immediately 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 the delivery items. The contracting parties shall each keep the other informed about the options for further quality improvement.

g) If the Supplier and MAHLE have not reached a definite agreement regarding the nature and extent of the tests or the test equipment and methods, MAHLE shall be prepared, at the request of the Supplier, 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 keep special records showing when, how and who tested the delivery items for their characteristics subject to documentation and the results of the required quality tests. The test documents shall be retained for 15 years and shall be submitted to MAHLE if requested. The Supplier shall impose the same obligation on sub-suppliers within the bounds of what is legally possible. By way of instruction, reference is made to the latest version of German 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 prepared to grant them the same rights in its company and shall give them all reasonable assistance. The Supplier shall impose the same obligation on sub-suppliers within the bounds of what is legally possible.

## 8. Hazardous Substances and Preparations

a) The Supplier shall observe the legal regulations of the countries of manufacture and distribution relating to goods and Materials as well as processes which are subject to special treatment, etc. as regards their transportation, packing, labelling, 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 to the IMDS database ("International Material Data System"; [www.mdssystem.com](http://www.mdssystem.com))

c) The Supplier undertakes to abide by the EU Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006 of 18.12.2006, hereinafter referred to as "REACH"). The Seller shall especially carry out all registrations on time. MAHLE shall not be obliged in any way to carry out the (pre)registration. The Supplier acknowledges that the goods cannot be accepted and used if the requirements of REACH are not completely and properly complied with.

d) In this case the Supplier shall send MAHLE the necessary 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 that occurs as a result of non-compliance with the existing legal regulations.

## 9. Packaging

a) The provisions of the 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 disposal costs.

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

## 10. Material Defects and Warranty Claims

a) Unless stipulated otherwise in the following provisions, the legal regulations shall apply to deliveries of defective goods. The supplied goods must be fit for use in accordance with their intended purpose as 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 litigation MAHLE shall determine the nature of a defect and its occurrence.

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 of their detection. The Supplier shall therefore waive the defense of delayed complaint.

c) If defective goods are delivered, MAHLE reserves the right under the warranty to demand a replacement 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 shall be entitled to invoice the Supplier for lump sum compensation amounting to 3% of the value of the delivery concerned to cover costs related to settling the warranty issues; the Supplier shall pay the sum determined by MAHLE within the period of 14 days from the day of the demand for payment in writing.

d) If the Supplier is unable to re-perform or fails to do so without undue delay, MAHLE shall be entitled, after setting an additional time limit, to buy replacement parts to replace the defective ones at the Supplier's expense and to hire a third party to remedy the fault. MAHLE shall be entitled to remedy the faults itself or have them remedied 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, labour 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 commence until the motor vehicle or engine is commissioned by the end customer. 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 delivered items that are used according to their intended purpose for a building, or to defects of title.

g) Any further claims on the part of MAHLE, 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 and 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, if the Supplier delivers production Material, the Supplier shall then 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.

## 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 Polish or foreign 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 the 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 in due time with all necessary information and any support within the bounds of reason 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 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 this insurance. The Supplier is obliged to have adequate liability insurance to cover production and the product and to insure against any claim.

## 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 copyrights of third parties through the delivery and contractual use of the delivery items. This provision shall also apply to industrial property rights which are published worldwide. The Supplier shall indemnify MAHLE and its customers against 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 neither was nor needed to be aware that industrial property rights or copyright of third parties were thereby infringed.

c) The contracting parties shall undertake to inform one another immediately of any infringement risks that become known and any cases of alleged infringement. 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 furnish all data relating to development works and pending patents relating to the product, and also furnish all other data relating to technical know-how.

e) By delivering the product the Supplier assigns MAHLE the unlimited right to use the product for an unlimited period of time, gives MAHLE the option to transfer any copyrights relating to the product and also 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.

b) Any 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 documentary evidence 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 its own expense and shall notify MAHLE immediately of any damage or faults. Once MAHLE has paid for a product, all means of production that are on the Supplier's premises and used for manufacturing the ordered product shall become the property of MAHLE. 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 purposes of any other party or third party.

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 to the new products in proportion to the value of its products 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 to the main product in proportion to the value of MAHLE's products 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 shall undertake to supply MAHLE with sufficient quantities of goods for use as spare parts for a period of 15 years after the end of series production and at the series price.

## 15. Confidentiality

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 in writing.

c) The Supplier shall undertake to impose the same obligation to maintain secrecy on sub-suppliers. 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.

c) This English language version of the General Terms and Conditions of Purchase of the Polish 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 Polish and the English language version, the Polish language version shall prevail in all cases. In the event of disagreement or litigation, the Polish language version shall also be the decisive version of the interpretation of individual provisions of the General Terms and Conditions of the Polish companies of the MAHLE Group.

Status: January, 2008

## 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 Polish Republic shall apply exclusively. The place of jurisdiction for all disputes arising from business relations between the contracting parties shall be the local court at the head office of MAHLE. MAHLE furthermore reserves the right to take action against the Supplier at the latter's general place of jurisdiction.

## 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.