

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. GENERAL; SCOPE OF APPLICATION

To the fullest extent permitted under applicable law, these General Terms and Conditions of Purchase (“FM T&Cs”) of Federal-Mogul (“FM”) will apply exclusively unless expressly amended by mutual written agreement between the parties. FM does not accept any supplier’s (each a “Supplier”) terms and conditions deviating from or contrary to those of FM, unless the application of such terms and conditions has been expressly approved by FM in writing. FM T&Cs will also apply if FM accepts delivery by the Supplier and/or pays the invoice even though FM knows of Supplier’s terms and conditions deviating from those of FM. FM T&Cs will apply to each separate agreement for the supply of goods, works, materials or services (collectively “Goods”) to FM which will be entered into at some point in the future and they will apply as of commencement of contractual negotiations.

2. CONCLUSION OF AGREEMENTS

- 2.1 An agreement establishing obligations binding upon FM shall be based on the contents of a written order placed by FM. Supplier is obliged to sign and return an order form immediately, but no later than ten days after it is sent by FM. FM will not be bound by any modifications to its order form unless expressly accepted by FM in writing. If the requirement to sign and return an order form timely and without modifications is not met, FM will be entitled to cancel the relevant order. If Supplier fails to confirm an order in writing but nevertheless ships goods to FM, then Supplier will be deemed to have accepted the terms of the order as well as the FM T&Cs.
- 2.2 Supplier is obliged to notify FM in its offer of any defects or deficiencies that FM’s letter of inquiry may have, pointing out in particular state of the art requirements under product liability law, environmental law provisions, accident prevention requirements, technical standards, obligations to obtain an official permit, approval or license, if any, or practicality in technical terms. Supplier will specify the relevant product information no later than upon delivery and without further request. FM’s approval of designs, drawings or other documentation does not release Supplier from its liability hereunder.
- 2.3 The trade terms will be construed in line with the INCOTERMS issued by the International Chamber in Paris, 2010 edition.

3. AUDIT, QUALITY MANAGEMENT, TESTING, PROCESS CHANGE

- 3.1 Prior to the start of business with FM, Supplier shall participate in a qualification audit (“Audit”). The Audit shall include an on-site review of Supplier’s facilities by members of FM’s global purchasing team. If there is a determination that an unsatisfactory condition exists with respect to any matter covered by the Audit, FM will provide written notice of the condition and, within fourteen (14) days after receipt of such notice, Supplier shall provide FM with a written response proposing any corrective action.
- 3.2 Supplier must ensure that its quality assurance system is certified to ISO 9001, ISO/TS 16949 or IATF 16949 (for suppliers of parts or materials) or similar regulations as the request of FM may be. Supplier may not rely on a positive outcome of an audit as a means of limiting its liability. Supplier acknowledges that FM is ISO/TS 16949 or IATF 16949 certified and agrees to take actions reasonably requested by FM to assist FM in maintaining its certification. Supplier (whether ISO/TS 16949 certified or not) shall provide FM with complete information regarding customers with whom Supplier is on “special status” (such as, but not limited to, CS1 and CS2 (CS-controlled shipment) or comparable status) and/or business hold. Where Supplier has information about a non-automotive application Supplier shall also inform FM about other potential end-customers of FM for which Supplier’s Goods may be destined that put Supplier on business hold. FM and its customers shall have the right during reasonable business hours and upon at least two (2) days prior written notice to inspect Supplier’s facilities and to perform quality audits with

respect to the Goods provided. Supplier agrees to participate in all FM supplier quality and development programs and implement recommended outcomes. Supplier shall impose the foregoing obligations on its subcontractors and shall require of them to pass the obligations down the supply chain.

- 3.3 Supplier agrees to process and package all Goods in conformity with any purchase specifications supplied. At the request of FM and prior to delivery of any new or changed Goods, Supplier shall provide samples to FM for the purposes of inspection and testing. Once purchase specifications or a sample has been approved, alterations of the function, appearance, characteristics, material or production method or changes in processes, manufacturing location, subcontractors, or material suppliers are not allowed and may be done only after written approval from FM. FM's final approval of samples shall not affect Supplier's liability for any defects in the Goods.
- 3.4 Supplier has reviewed and shall comply with FM's quality system requirements, as defined in the "Supplier Requirements Manual" (the "Manual"), and the "Restricted Substances Manual" (the "Standard"), both located at www.federalmogul.com (from the homepage, select the "Suppliers" tab and then select the "Purchasing Policies" link), and any additional requirements upon which both parties mutually agree in writing. Supplier acknowledges and understands that the Manual and the Standard may be periodically updated, revised and amended and that it is Supplier's obligation to be in compliance with the Manual and the Standard at all times. Supplier shall also ensure its subcontractors compliance with the foregoing.

4. DELIVERY, TRANSFER OF RISKS, TRANSPORT, ACCEPTANCE OF DELIVERY

- 4.1 The delivery date shall be the date designated by FM. The parties agree that in the event Supplier fails to deliver any order/release for Goods on the delivery date, FM, in addition to other rights and remedies it may have, shall be entitled, at its option, to cancel the order/release for the Goods that were not timely delivered, without any obligation or liability, and to purchase such Goods from a third party. As time is of the essence, Supplier agrees to use reasonable efforts to deliver all orders for Goods 100 percent "on time". Supplier will not be excused for delays caused by disruptions of its own supply, production and distribution services. This does not apply to disruptions caused by force majeure events, including acts of God, natural disasters, terrorist attacks, acts or orders of public authorities, if and to the extent that Supplier cannot be held responsible for such disruptions. Supplier is obliged to inform FM immediately in writing upon occurrence of circumstances that will result in a delay in delivery.
- 4.2 F-M reserves the right to claim liquidated damages, amounting to 1% of the value of the Goods to be delivered, for each week the delivery is delayed. Supplier will be entitled in such cases to submit evidence to the effect that the damage actually caused by late delivery is substantially below the liquidated damage or that no damage was caused at all. An unreserved acceptance of delayed Goods does not imply a waiver of FM's right to claim damages based on such delay. Any additional legal or equitable rights will remain unaffected. In particular, FM reserves the right to claim damages exceeding the amount of the liquidated damages.
- 4.3 Prior to booking loads with carriers for shipments to any FM facility, Supplier must comply with FM's shipping/receiving requirements and/or routing guide(s), which are located on FM's website (www.federalmogul.com) (collectively, the "Shipping Guidelines"). In countries where such LTL-route is not in place, the parties shall mutually agree upon the shipping details. In case delivery of the Goods is not to be undertaken and agreed as FCA (Supplier's facility), the delivery shall be DDP (Supplier's facility) in accordance with INCOTERMS 2010 and Supplier will be responsible for ensuring that the Goods are ready for shipment and dispatch in good time. Transport of the Goods, including returns, will be at Supplier's risk. Risk and title in the Goods shall not pass to FM until delivery to FM's premises or another location specified by FM.

- 4.4 Supplier will, upon FM's request, suspend shipment and delivery of Goods for such periods as FM shall request. FM shall not be held liable for manufacture of Goods by Supplier in advance of FM's schedule.
- 4.5 All Goods must be adequately protected against damage and deterioration in transit. Packaging must bear the description and quantity of the contents, any special handling or storage requirements, any hazards in relation to the Goods (including but not limited to flammability, toxicity, and corrosiveness) and FM's order number. If the packaging is defective, the delivery will be deemed to be defective as well. FM shall be entitled to object to and refuse deliveries that FM is entitled to treat as defective due to defective, damaged packaging, especially including, but not limited to, packaging which is not in compliance with relevant regulations especially in respect to environmental and recyclable aspects.
- 4.6 Goods to be delivered will be deemed to be ready for acceptance only if they are delivered accompanied by the statutory, appropriate or usual inspection documentation.
- 4.7 Supplier is not entitled to effect partial deliveries unless FM has expressly approved such partial delivery in writing. In the event that Supplier delivers a quantity in excess of the quantity ordered, FM shall not be responsible for taking delivery of, storing or maintaining such excess quantities and shall further be entitled to return any such excess quantities to the Supplier at the Supplier's expense.
- 4.8 Where FM accepts Goods even though FM is aware of minor defects, FM reserves the right to assert all legal and equitable warranty claims. FM becomes the owner of the Goods when they are delivered to FM's premises or another location specified by FM. Supplier is not entitled to retain ownership of the Goods or to make the passing of title contingent on any further conditions. Where Goods include proper functioning, a protocol signed by FM is required to confirm the proper functioning as acceptance, notwithstanding the right of FM to claim defects arising afterwards.
- 4.9 If the Goods are to be used in original equipment automotive parts, Supplier shall ensure that Goods, such as spare parts or other material necessary for remedial work, will be available for a period of fifteen years after delivery. For all other parts, material used for Goods must be available for a period of seven years. Unless otherwise agreed, maintenance for Goods must be available for a period of four years after end of (production) supply. All other services must be available for a period of four years after expiration of warranty.

5. COMPLIANCE WITH LAW

Supplier and its subcontractors shall comply with all applicable laws, regulations, directives, guidelines, rules, orders, conventions, ordinances and standards of the country(ies) of origin and destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the Goods, including, but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Without limiting the generality of the foregoing, Supplier and its subcontractors shall comply with all applicable domestic and foreign anti-bribery and anti-corruption laws, and other laws governing improper payments, including but not limited to, the requirements of the U.S. Foreign Corrupt Practices Act, the UK Bribery Act of 2010, and any other applicable anti-bribery and anti-corruption laws and regulations in other jurisdictions (collectively, the "Anti-Bribery Laws"), and Supplier shall not act in a way that would cause FM to be in violation of the Anti-Bribery Laws (such as, by way of example only, providing a kickback, bribe or inappropriate gift or entertainment to any employee or agent of FM or government official or political party in order to obtain or retain business or to secure an improper commercial advantage). Supplier shall request compliance with the foregoing from its subcontractors and shall require of them to pass the obligation down the supply chain. Supplier further represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive worker treatment or corrupt

business practices, in the supply of Goods or provision of services under these FM T&Cs. At FM's request, Supplier shall certify in writing its and its subcontractors compliance with the foregoing. Supplier is obliged to share all applicable requirements down the supply chain. Supplier shall indemnify and hold FM harmless from and against any liability claims, demands or expenses (including attorneys' or other professional fees) arising from or relating to Supplier or Supplier's subcontractor's non-compliance.

Supplier will provide material safety data sheets or equivalent as required by applicable law, prior to shipment of hazardous chemicals. Delivery of any Goods shall constitute Supplier's representation to FM that there has been full compliance with law, including but not limited to the Child Labor provisions of the Fair Labor Standards Act, 29 USC § 212. Delivery of any Goods shall constitute Supplier's representation to FM that there has been and will be full compliance with all applicable environment, health and safety governmental requirements. Supplier agrees to provide a completed "US Customs Form 434 - North American Free Trade Agreement Certificate of Origin" for all parts that have an origin of USA, Canada, or Mexico; and for parts with origins other than USA, Canada or Mexico, to provide and properly mark the country of origin of each part. To the extent required by law, Supplier certifies that Supplier and Supplier's subcontractors (a) comply with the provisions of the Equal Opportunity Clause in Executive Order 11246 and with 41 CFR 60-1.4; (b) do not and will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin or disability; (c) do not maintain segregated facilities in violation of 41 CFR 60-1.8; (d) will, in accordance with 41 CFR 60-1.7, file Standard Form 100 (EEO-1); (e) comply with Section 401 of the Vietnam Era Veteran Readjustment Act of 1974 and 41 CFR 60.250; and (f) comply with Section 503 of the Rehabilitation Act of 1973 and 41 CFR 60-741.

Supplier and its subcontractors shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

6. INVOICING, CONDITIONS OF PAYMENT, PRICES, RETENTION RIGHTS, ASSIGNMENTS, COMPETITIVENESS

- 6.1 Invoices will always be issued with a separate statement of FM's order number and of the order date without delay after the shipping of the Goods and will be sent to FM in the manner designated by FM. In the event that delays occur due to a different form of sending the invoices, FM's rights, in particular the right to apply discounts, remain in effect. Unless agreed otherwise and subject to the condition that the Goods are duly delivered in accordance with the order, FM pays within 14 days after receipt of the invoice after applying a discount of 3% or within 90 days after delivery and receipt of the invoice.
- 6.2 In the event that FM has justified objections to the Goods delivered or works performed by Supplier, payment maturity dates will be suspended.
- 6.3 FM chooses the currency.
- 6.4 FM is entitled to all legal and equitable rights of set-off and retention.
- 6.5 The assignment of claims against FM is subject to FM's consent. Supplier will not be entitled to set-off payments against counterclaims, unless such counterclaims are undisputed or subject to a legally binding court decision.

6.6 FM makes an effort to supply its customers with products of the highest possible quality and at the lowest possible cost. Therefore, any Goods delivered by Supplier must, at least, match products of competitors as regards quality and price. If a competitor offers any Goods at better conditions as regards quality and/or price, Supplier shall inform FM in writing. Within 30 days of FM's receipt of such notice, Supplier shall provide FM with a new offer matching the competitor's offer.

7. WARRANTY CLAIMS AND RECOURSE

7.1 Supplier warrants (a) that the Goods will conform to drawings, materials and specifications designated by FM and with all samples approved by FM; (b) will be new, best available technology, safe, unused, of merchantable and first-class materials and workmanship and free from defects, contamination and rust; (c) will be packaged and marked correctly; and (d) to the extent Supplier knows or has reason to know of the purposes for which the Goods are intended, the Goods will be suitable for the purposes intended. Supplier warrants that Goods designed by Supplier will be free from defects in design. Supplier agrees to indemnify FM against and pay all damages of any nature whatsoever, including but not limited to retrofitting and recall campaign expenses and incidental and consequential damages, resulting from breach of any warranty. Approval of FM's inspectors or failure to inspect will not affect Supplier's warranty obligations.

7.2 FM is entitled to all legal and equitable warranty claims. If defects are discovered or if wrong Goods or quantities are delivered, Supplier shall remedy the defect at FM's request (repair or replacement) within a period set by FM. If any period set by FM for the purpose of repair/replacement expires without the defects being remedied, FM is entitled to remedy the defects, to have them remedied by a third party or to procure replacements, all at the expense of Supplier. Irrespective of any applicable statutory provisions, in urgent cases, in order to avoid greater damage or in cases of imminent danger, FM is entitled to carry out all required measures or to have them carried out by third parties at the expense of Supplier, should Supplier be in default or unwilling to make the requested delivery or unable to deliver in time. Supplier shall compensate FM for any damage and consequential damage caused due to defects or deliveries of wrong Goods or quantities or other non-compliance.

7.3 Warranty claims related to Goods become time-barred after four years at the earliest. If the law provides for longer limitation periods, the statutory periods will apply. Limitation periods commence to run as of the delivery of the Goods or upon formal acceptance of the Goods, unless otherwise stipulated below or by law. When repair or replacement is requested and carried out within the period of limitation in order to remedy warranty claims asserted by FM, the period of limitation for the relevant delivery of Goods starts to commence again at the point in time Supplier has completely fulfilled FM's claims for repair/replacement.

7.4 If FM is obliged by its customer to take any product back due to defects attributable to Supplier or if in such an event the purchase price paid to FM is reduced, or if any other claims in this respect are asserted against FM, FM reserves the right to take recourse against Supplier. FM is entitled to compensation from Supplier for all costs incurred by FM in connection with such an event.

7.5 Supplier warrants that all delivered Goods are free from third parties' rights and that Supplier has the relevant Goods at its free and unrestricted disposal. If any claims are asserted against FM by third parties, Supplier is, upon FM's first written request, obliged to indemnify and hold FM and its customers harmless with respect to any such claims. Supplier's obligation to indemnify and hold FM and its customers harmless covers all expenses that FM incurs due to or in connection with any claims asserted against FM by a third party. Supplier shall provide FM, without delay and at no cost, with all information and documentation that FM considers necessary for the defense of such claims. If claims are asserted against FM, the maturity dates of any claims against Supplier will be suspended until the relevant matter is finally and absolutely settled.

7.6 FM's claims under Section 7.5 become time-barred at the end of a period of four years after the time at which such defects in title have become known or should have become known. Otherwise, such claims become time-barred ten years after the delivery or the formal acceptance of Goods.

8. PRODUCT LIABILITY AND RECALL; INSURANCE

8.1 In the event that product or manufacturers' liability claims are asserted against FM, Supplier shall indemnify and hold FM harmless with respect to all claims for damages asserted by third parties if the damage has been caused by defects in Goods delivered by circumstances within Supplier's scope of influence or responsibility. In such an event, Supplier is not entitled to claim that periods for the purpose of taking recourse have expired. Supplier shall provide all requested assistance to FM in the defense of such claims and shall bear the costs and attorneys' fees incurred in connection with the defense of such claims.

8.2 Within the scope of liability for damages as referred to in Section 8.1, Supplier shall also reimburse any expenses incurred by FM due to or in connection with any product recall being made by FM or FM's customer.

8.3 Supplier is obliged to keep the documentation relating to Goods for at least 15 years after the receipt of delivery of the Goods at FM's premises. Supplier will submit such documentation in any case upon FM's first and any subsequent written request.

8.4 In the event of any claim referred to in Section 8.1 being asserted, FM and its insurer are entitled to conduct the defense against such claim and, if considered appropriate, adjust and settle the relevant claims. This is, however, not to be understood as acknowledgement of any responsibility in this respect.

8.5 Without limiting their liability, Supplier and its subcontractors agree to furnish certificates from their insurance carriers showing that they carry Worker's Compensation, Commercial General Liability, including Products Liability (at a minimum of \$5,000,000 or the equivalent in other currency), Completed Operations and Contractual Liability, All Risks Property (including, but not limited to, coverage for tooling and material maintained by Supplier and owned by FM), and Comprehensive Automobile insurance coverage. Certificates must show the amount of coverage, number of policy, and date of expiration, and with respect to Product Liability coverage, must name FM as an additional named insured. Supplier may not terminate or modify insurance coverage without informing FM in advance and showing new equivalent coverage.

9. DOCUMENTS, INTELLECTUAL PROPERTY RIGHTS, INFRINGEMENT, CONFIDENTIALITY

9.1 FM remains the owner of any drawings, models, patterns, tools, dies, jigs, specifications of delivery or other documents (collectively "Intellectual Property") that FM provides to Supplier. Without FM's explicit consent, such Intellectual Property may not be used for Supplier's own purposes or for any other purpose or made available to third parties and may serve only for the purpose of the delivery of Goods to FM. FM may request at any time that such Intellectual Property be returned. Supplier shall not, without first obtaining the written consent of FM, in any manner publish FM's name or otherwise indicate that Supplier has furnished or contracted Goods to FM.

9.2 If the price to be paid for the Goods includes special dies, jigs, tools and patterns (collectively "Tooling"), then such Tooling shall be or become the property of FM after payment. Supplier agrees to maintain and repair Tooling without expense to FM except for the actual costs incurred as a result of FM's change of design or specification, if such changes are made prior to the exhaustion of the useful life of the Tooling changed. At the termination of the order such Tooling shall be transferred or disposed of according to the directions of FM. FM shall have the right to take possession of, including the right of entry for such

purpose, any such Tooling without any liability to Supplier. If FM has not already acquired ownership by payment, either through direct payment or amortization in the price of Goods purchased, for Tooling and/or equipment that is dedicated to the production of Goods, FM shall have the right but not the obligation to purchase from Supplier at fair market value any such Tooling and/or equipment. Any partial amortization shall be credited to FM in determining the fair market value price. Whenever applicable, Supplier is responsible for reducing the price of Goods purchased according to the contract when the amortization period for Tooling and/or equipment is complete. Without any written and explicit agreement being concluded for such purpose, FM does not transfer any rights or licenses when orders are placed or deliveries are accepted.

- 9.3 Supplier warrants that the manufacture, sale and/or use by FM of Goods covered by or designed under this order will not be an infringement or contribute to the infringement of any intellectual property rights. Supplier agrees to defend, protect, save harmless and indemnify from all loss and damage, whether direct or consequential, FM, its successors and assigns, its customers and users of its Goods, as to any claim or demand based on or arising out of infringement or an allegation of infringement and, after notice, to appear and defend at Supplier's own expense any suits arising from such claim.
- 9.4 Supplier shall keep any knowledge or information gathered in connection with or as result of cooperation with FM confidential, in particular, knowledge about FM's know-how, manufacturing methods and procedures. This does not apply to facts coming into the public domain otherwise than by reason of Supplier's breach of confidentiality. Supplier is obliged to impose this obligation of confidentiality in writing on any third party, including its employees. Such obligations of confidentiality will apply beyond the completion of any individual contract or transaction. Supplier is liable to FM for any damage arising due to the breach of such obligation of confidentiality.

10. ENVIRONMENTAL COMPATIBILITY

Supplier warrants that the Goods comply upon delivery with the state of the art as regards their environmental compatibility. Supplier shall comply with all applicable regulations regarding the supplied Goods including all materials used and shall provide all information necessary by such regulation and/or requested by FM. Supplier shall be responsible, where physically possible, to take its Goods back for the purpose of recycling them within the scope of the statutory duties or to dispose of them in an environmentally-friendly manner. Supplier shall comply with Standard as found on FM's website at www.federalmogul.com. Supplier shall indemnify FM from all liabilities, cost, damages, fees, fines, and expenses to which FM might be exposed due to a violation of the above mentioned obligations. In case of administrative procedures against FM by relevant authorities due to the Goods of Supplier, including materials/substances used therein, Supplier shall support FM to defend each case and shall provide all reasonable information needed and/or requested by any authority and/or FM for such defense.

11. WAIVER, MODIFICATIONS

NO WAIVER OF ANY BREACH OF ANY PROVISION OF THESE FM T&CS WILL CONSTITUTE A WAIVER OF ANY OTHER BREACH OR OF SUCH PROVISION. THESE FM T&CS MAY BE MODIFIED ONLY IN WRITING SIGNED BY AUTHORIZED REPRESENTATIVES OF FM AND SUPPLIER. HOWEVER, FM MAY, AT ANY TIME, BY WRITTEN CHANGE ORDER, MAKE CHANGES IN (A) QUANTITIES ORDERED, (B) THE DRAWINGS, DESIGNS OR SPECIFICATIONS APPLICABLE TO THE GOODS OR SERVICES COVERED BY THIS ORDER, (C) THE METHOD OF SHIPMENT AND PACKING, AND/OR (D) THE PLACE OF DELIVERY. IF SUCH CHANGES AFFECT THE TIME FOR PERFORMANCE, THE COST OF MANUFACTURING THE GOODS, OR THE COST OF FURNISHING SERVICES, FM WILL MAKE AN EQUITABLE ADJUSTMENT IN THE PURCHASE PRICE OR THE DELIVERY SCHEDULE OR BOTH.

12. PAPERLESS COMMUNICATIONS

Upon request of FM, Supplier will introduce electronic data interchange communication. All properly issued and verified EDI communications will have the same legal effect as if they had been transmitted on paper.

13. CANCELLATION

FM reserves the right to cancel an order in whole or in part (a) if Goods (i) are defective, (ii) are not shipped as specified in FM's order or in any change notice, or (iii) are not in accordance with specifications or samples; (b) if Supplier (i) fails to comply with any term or condition herein, (ii) fails to perform any of its promises or warranties in connection with the Goods ordered, (iii) fails to issue a new offer according to Section 6.6, (iv) becomes insolvent or commits an act in bankruptcy, (v) has a voluntary or involuntary petition in bankruptcy filed against it, or (vi) has legal proceedings instituted for the appointment of a receiver or trustee; (c) if, in the reasonable judgment of FM, Supplier's condition is such as to endanger or impair Supplier's ability to perform; or (d) at FM's convenience, provided that in the event of cancellation at FM's convenience, FM will pay Supplier's reasonable costs to the date of cancellation.

14. ETHICS POLICY

FM's agents and employees are prohibited from soliciting or accepting kickbacks, bribes and inappropriate gifts and entertainment. Supplier is required to avoid any action to induce FM's agents and employees to accept any improper consideration, whether legal or illegal. Supplier warrants that no such consideration has been offered or provided to any FM agent or employee. FM reserves the right, and by acceptance of an order, Supplier hereby agrees to permit FM, to audit any of Supplier's records that are deemed necessary by FM to ensure compliance with this ethics policy. Supplier further agrees to abide by FM's code of conduct and basic working conditions for suppliers policy available at www.federalmogul.com.

15. SECURITY PROCEDURES

- 15.1 Supplier shall confirm that it has, is in the process of obtaining, or plans to apply for the status of an authorized economic operator (ZWB/AEO) with the certificate AEO C, AEO S or AEO F. Suppliers who do not meet the above requirements at present undertake to meet the following requirements in the meaning of the AEO: (i) goods taken over from authorized economic operators shall only be manufactured, processed, stored or loaded at secure operation respectively storage and transit sites and are during production, storage and transport protected against unauthorized access, (ii) only reliable personnel (e.g., in accordance with list of names as per EC regulations 2580 / 2001 and 881 / 2002) shall be engaged in the production, storage, taking in and processing of such goods and (iii) contract partners working on order of Supplier shall be instructed to take measures to ensure the above described security of the delivery chain.
- 15.2 In addition to Section 15.1, if Supplier is eligible for C-TPAT certification FM must have documentation (e.g., C-TPAT certificate, SVI number) verifying certification. For those Suppliers not eligible for C-TPAT certification, FM requires Supplier to demonstrate it is meeting C-TPAT security criteria via a written/electronic confirmation (e.g., contractual obligation; via a letter, from the senior officer of Supplier's company, attesting to compliance; a written statement from Supplier demonstrating its compliance with C-TPAT security criteria or an equivalent WCO accredited security program administered by a foreign customs authority; or, by providing a completed FM security questionnaire). Based upon documented risk assessment process, non-C-TPAT eligible Suppliers must be subject to certification of compliance with C-TPAT security criteria by FM. In order to enhance the integrity of the shipment at point of origin, periodic review of Supplier's processes and procedures will be conducted based on risk and Supplier will maintain the security standards required by FM.

16. CHOICE OF LAW, PLACE OF JURISDICTION

- 16.1 The legal relationship between the parties will be governed exclusively by local laws applicable at FM's principal place of business (registered office) in the country from which the order is issued, without recourse to the rules on conflict of laws. For the avoidance of doubt, the UN Convention for the International Sale of Goods (CISG) does not apply.
- 16.2 If Supplier is a businessman or company, FM's principal place of business (registered office) in the country from which the order is issued shall be the place of proper fulfillment and jurisdiction; however, FM is entitled to sue the Supplier in any courts having jurisdiction.

17. ADDITIONAL PROVISIONS

- 17.1 There are no oral side agreements between the parties. Supplier agrees not to assign or delegate the performance of its duties without the prior written consent of FM.
- 17.2 FM is entitled to process data in connection with this business relationship for its own purposes.
- 17.3 Should any provision of the FM T&Cs be or become invalid, the validity of the remaining provisions will not be affected thereby. If any provision is invalid, FM and Supplier shall agree on a valid provision that comes as close as possible to the original provision in legal and economic terms.

18. SUPPLEMENT IN REGARD TO AGREEMENTS IN THE EU ONLY

- 18.1 In addition to Section 3.2, Supplier must abide by VDA volume 6 part 2 (especially for service providers), or similar regulations valid in local EU countries, and/or official modifications/replacing regulations.
- 18.2 In regard to Section 4.5, Supplier must also comply with the EU Directive 94/62/EC on Packaging and Packaging Waste in each actual / adjusted version / replacement.
- 18.3 In regard to Section 4.5, unless otherwise agreed, Goods supplied must be accompanied by an inspection certificate in accordance with EN 10204 3.1. If and to the extent that the Goods are subject to standards or normative documents, Supplier must submit a conformity declaration in accordance with EN 1705, or any successive regulation thereof. In addition, Supplier is obliged to use environmentally friendly, recyclable and only lawfully permitted materials and to collect and dispose of packaging at its own cost within its statutory duties. FM is entitled to dispose of packaging that is unlawful, contaminated or is not collected by Supplier at Supplier's cost.
- 18.4 In regard to Section 4.7, Supplier must adhere to DIN 6789 part 2 2.2 or successive regulations thereof. If a formal acceptance in line with the law on contracts for Goods, especially works and services is required, minutes of acceptance need to be prepared and signed by both parties. Goods will be deemed to be ready for acceptance only if accompanied by the agreed documentation and relevant product information. In cases where Supplier is not present for a formal acceptance in spite of having been given one week's notice, acceptance will be deemed to have been made when FM signs the minutes of acceptance, notwithstanding that this does not constitute a waiver to any claim that may occur afterwards.
- 18.5 In regard to Section 5, Supplier will at FM's request provide certificates of origin, duly signed and containing all relevant details. The same shall apply to VAT certificates required for deliveries abroad in other member states of the European Union.
- 18.6 In regard to Section 6.1, the applicable payment term shall unless otherwise expressly agreed be within 14 days after receipt of the invoice after applying a discount of 3% or such maximum period of time

permissible under the local implementation of Directive 2011/17/EU at the place of business of FM. Further, in regard to Section 6.3, the Euro will be the relevant currency, unless otherwise agreed.

- 18.7 In regard to Section 7.1, taking into account the conditions and circumstances under which the Goods are delivered (e.g., delivery in coils), FM is, upon delivery, only obliged to inspect the delivered Goods for any obvious discrepancies in identity or number or for damage visible on the outside. This does not constitute a waiver by FM to fullest responsibility of Supplier to have complete outgoing control and responsibility for the Goods delivered to FM. FM may issue notices of defect if defects are discovered in the course of the manufacturing process or upon start of operation (start of use), but no later than twelve months after delivery in case of absence of agreement about longer period in each individual case. In this respect, Supplier waives the plea of delayed notice of defect.
- 18.8 In regard to Section 7.2, if a defect in quality becomes obvious during the first six months after the passing of the risk, it is assumed that the relevant item was already defective upon the passing of the risk, unless this assumption is incompatible with the type of item or damage.
- 18.9 The claims under Section 7.4 become time-barred at the earliest after the end of a period of two months as of the point in time at which FM fulfilled any claims that a customer asserted against FM, however, five years as of the delivery of the Goods by Supplier at the latest.
- 18.10 In regard to Section 10, Supplier shall especially comply with the Directive 2006/12/EC on waste and the Directive 2000/53 on end-of-life vehicles and the respective applicable laws, ordinances or directives implementing the aforementioned EU Directives each in its actual version and each as well in transposed local law of each EC country. Supplier shall comply with all relevant EC regulation, dealing especially but not limited to, environment, safety, labour, and discrimination.
- 18.11 Applicable to Agreements Governed by German Law: In deviation from Section 6.4, FM acknowledges that Supplier is entitled to make the passing of the ownership contingent on the purchase price being fully paid (*einfacher Eigentumsvorbehalt*). However, Supplier has no prolonged or extended right to retain title to any Goods (*verlängerter oder erweiterter Eigentumsvorbehalt*).
- 18.12 Applicable to Agreements Governed by French Law:
- 18.12.1 The last sentence of Section 4.2 shall instead read: “In particular, FM reserves the right to claim damages exceeding the amount of the liquidated damages, which are not a penalty and as such not governed by the provisions of article 1152 of the French Civil Code.”
- 18.12.2 Section 16.1 shall instead read: “The legal relationship between the parties shall be subject to the exclusive jurisdiction of the commercial court of Paris.”
- 18.13 Applicable to Agreements Governed by Polish Law:
- 18.13.1 Section 7.3 shall instead read: “Warranty claims related to deliveries and works expire after three years at the earliest. If the law provides for longer limitation periods, these statutory periods will apply. Limitation periods commence to run as of the delivery of the Goods or upon formal acceptance of the works, unless otherwise stipulated below or by law. When repair or replacement is requested and carried out within the period of limitation in order to remedy warranty claims asserted by FM, the period of limitation for the relevant delivery or works starts to run anew at the point in time Supplier has completely fulfilled FM’s claims for repair/replacement.”
- 18.13.2 Section 7.6 shall instead read: “FM’s claims under Section 7.5 expire after the end of a period of four years from the time at which such defects in title have become known or should have become

known. Otherwise, such claims expire ten years from the delivery of Goods or the formal acceptance of works at the latest.”

18.13.3 Section 18.6 does not apply.

18.13.4 Section 18.9 shall instead read: “The claims under Section 7.4 expire at the earliest two months from the point in time at which FM has fulfilled any claims asserted against FM by a customer, however, five years as of the delivery of the Goods by Supplier at the latest.”

18.14 Applicable to Agreements Governed by Russian Law:

18.14.1 Section 6.3 shall instead read: “The price is established in Euro. Where required under applicable legislation it shall be paid in rubles at the exchange rate established by the Central Bank of the Russian Federation as of the date of payment.”

18.14.2 Section 16.1 shall instead read: “All disputes arising out of or in connection with these FM T&Cs and supply agreements concluded in accordance with these FM T&Cs should be resolved by the state arbitrazh court at the location of FM unless the Russian procedural legislation envisages exclusive jurisdiction of another court.”

18.15 Applicable to Agreements Governed by Czech Law:

18.15.1 The term “liquidated damages” used in Section 4.2 means, for the purposes of Czech law, “contractual penalty” the amount and payment conditions of which are set out in Section 4.2.

18.15.2 The first sentence of Section 7.3 shall instead read: “Supplier declares that warranty claims related to deliveries and works become time-barred after four years at the earliest.”

18.15.3 Supplier and FM agree that, as regards mutual rights and obligations resulting from delivery of defective Goods, sections 424, 427, 428, 433(2), 434 and 435 (1, 2) of the Act no. 513/1991 Coll., Commercial Code (as amended) are not applicable.

18.16 Applicable to Agreements Governed by Turkish Law:

18.16.1 Supplier agrees, declares and undertakes that FM is exempted from the obligation to post security in any lawsuit or enforcement proceedings initiated in Turkey arising out of or in connection with this agreement, which obligation arises from Article 32 of the International Private and Procedural Law of Turkey.

18.16.2 Supplier agrees and accepts that in any lawsuit or enforcement proceeding, FM’s books and records shall constitute exclusive evidence.

18.17 Applicable to Agreements Governed by U.K. Law: Section 18.9 is amended by a second sentence as follows: “If the law provides for longer limitation periods, these statutory periods will apply.”

19. SUPPLEMENT TO THE FM T&Cs FOR ORDERS ISSUED BY FM ENTITIES LOCATED IN THE UNITED STATES OF AMERICA

The legal relationship between the parties shall be governed by and construed in accordance with the laws of the State of Michigan without giving effect to the principles thereof relating to conflicts of law. The parties hereby submit and consent to the exclusive jurisdiction and venue of state courts sitting in Oakland

County, Michigan or the United States District Court for the Eastern District of Michigan for the purpose of hearing and determining any disputes.

20. SUPPLEMENT TO THE FM T&Cs FOR ORDERS ISSUED BY FM ENTITIES LOCATED IN THE PEOPLE'S REPUBLIC OF CHINA

Supplier and FM agree that any disputes arising between them shall be submitted to arbitration in Shanghai, China in accordance with the Arbitration Rules of China International Economic and Trade Arbitration Commission (the "CIETAC") then in force. Prior to such submission, the parties shall endeavor through friendly consultations to settle the dispute. Such consultations shall begin immediately after one party has delivered to the other party a notice requesting such consultation. If within thirty (30) days following the date on which such notice is given the dispute cannot be settled through consultations, then the dispute shall be submitted to arbitration as aforesaid. Unless otherwise agreed by FM and Supplier, the arbitration panel shall consist of three (3) arbitrators to be appointed in accordance with the CIETAC Rules. Unless otherwise agreed by FM and Supplier, the language of the arbitration shall be English. Supplier and FM acknowledge and confirm that the arbitration award shall be final and binding upon Supplier and FM, not subject to any appeal, and shall deal with the question of costs of arbitration and all matters related thereto, and the immunity power, if any, is waived. Judgment upon the arbitration award may be entered in any court having jurisdiction over the party against whom enforcement is sought or such party's property. The foregoing shall not preclude the parties from applying for any preliminary or injunctive remedies available under applicable law for any purpose, including but not limited to securing the subsequent enforcement of an arbitration award.