

General Terms and Conditions

for the procurement of products, parts, components, systems and performances associated therewith, as well as rendering of services for L&P Automotive Group Europe

THESE GENERAL BUSINESS CONDITIONS REPLACE
WITH EXCLUSIVE EFFECT
ANY OTHER TERMS AND CONDITIONS OF THE SUPPLIER

Commitment / Release		
<p>The following department responsible persons have given their commitment to the process description in the available format. Simultaneously they are obliged to use the entire process description in their departments. Changes have to be applied by the Process-Owner, have to be discussed with the Process-Owner and if necessary have to be implemented due to a rerelease of the process description.</p>		
Function	Name / Sign	Date
L&P AE/ Purchasing	Veit Stößel	02.02.2009
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Function	Name / Sign	Date
QM	Andrew Morgan	02.02.2009
Release Responsible (GM / PO)	Veit Stößel	02.02.2009

LIST OF MODIFICATIONS

Level	Changed pages	Kind of change	Date	Name
A	All	Preparation	04/23/08	L&P AE/Director Purchasing_Veit Stöbel

The user is responsible that only the current version be utilized. All former editions are obsolete.

Modifications and additions comparing in each case with the preceding **“General Business Conditions for the Procurement of Products, Parts, Components, Systems and Performances related therewith, as well as Services for L&P Automotive Group Europe”** can be put into effect without prior announcement.

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1 AREA OF APPLICATION

These General Terms and Conditions (referred hereinafter as the “Terms”) applies to all locations of Leggett & Platt Automotive Group Europe (hereafter called the “Company”).

The Terms govern all transactions and documents for the procurement of products, parts, components, systems and performances connected thereto, as well as the services from the Company’s suppliers.

(For definitions of the terms used: see item 2)

These Terms shall apply to all Orders and on-call deliveries to the Company, as well as all agreements, contracts, proposals, quotations and all other communications between the Company and its Suppliers. They are also valid for all future business relations even if they are not covered by a separate agreement. Deviating terms and conditions of the Supplier shall not be binding to the Company, even if the Company does not expressly object to them. These Terms shall also apply if the Company accepts Goods from Suppliers without reservation, fully cognizant of the fact that such Goods contradict or deviate from agreed upon terms.

All agreements reached between the Company and Suppliers in connection with any Contracts or Order shall be set out in writing and shall be subject to these Terms.

2 DEFINITIONS

Within the framework of the present conditions, the terms mentioned hereafter have the following meaning:

'Company' refers to Leggett & Platt Automotive Group Europe and/or its subsidiaries and commercial departments.

'Goods' refer to products, parts, components, systems and performances related thereto, as well as the supply of services.

'Supplier' refers to the enterprise, the company or the individual from which or whom the Company orders goods.

'Order' refers to the offer made by the Company to the Supplier concerning the conclusion of a contract.

'Call-off' (also 'on-call delivery') refers to the fixing of quantities to be delivered at a given point in time and at terms as set forth in the contract.

'Shipping address' refers to the address indicated in the order.

'Specification' refers to the technical description of goods, as either contained in the Order or to which the Order applies to, as well as relevant tables, drawings and specifications that are either annexed to an Order or that are sent to the Supplier by the Company or on its behalf.

'Contract' refers to the agreement between the Supplier and the Company concerning the sale and purchase of Goods or the agreement for the supply to the Company's means of manufacturing.

'Parties' refer to the Company and the Supplier.

'PPAP' refers to the production part approval process.

'In writing' includes telex, e-mail, telegrams, fax transmissions and comparable means of communication.

'Production Tooling' refers to all tools, machines, appliances, dies, castings, samples, equipment and/or installation, measuring and testing devices (gauges and calipers), matrices, models, drawings and similar objects required for the production or the testing of supplies.

'Information' refers to all documents, sketches, samples, manufacturing processes, trade secrets or other information.

'Die-cut or embossed parts' refer to components produced with/from means of manufacturing.

'Forecast quantity' refers to non-binding announcements of lots which the Company requisitions on call from the Supplier.

'EDI' refers to electronic data interchange.

The headings in these Terms serve for purposes of overview and have no influence on their interpretation.

3 EXISTENCE AND EXTENT OF ORDERS

Regular and Call-off Orders ("*Orders*") shall be placed exclusively on Company forms cleared for the purpose in accordance with the existing Terms. The Company as a rule communicates Orders and Call-offs to the Supplier by e-mail, alternatively by fax or mail but preferably via EDI.

Orders shall be considered as accepted when the Supplier (a) starts to work on the project; (b) does not reject the Order within two (2) working days by means of a written explanation sent to the Company; (c) accepts the Order in writing or (d) engages in any conduct that recognizes the existence of a contract with respect to the subject matter of the Order. The Order is limited to and

conditional upon Supplier's acceptances of these Terms exclusively. Any additional or different terms proposed by the Supplier, whether in Supplier's quotation, acknowledgment, invoice or otherwise, are unacceptable to the Company, are expressly rejected by the Company, and will not become part of the Order. Each Order can be modified only as set forth in these Terms.

Prior to acceptance, an Order or Call-off can be cancelled by the Company without any liability toward the Supplier.

4 PRICE, TERMS OF PAYMENT AND INVOICE DOCUMENTS

The price of Goods shall be in conformity with the price indicated in the Contract or the Order.

Modifications to the price of Goods may only take place with prior written consent by the Company. The Supplier is not permitted to adjust prices and to charge additional costs of any kind without specific prior and written consent by the Company.

Terms of payment are set forth in the respective contract.

If not otherwise agreed, the date of payment will be sixty (60) days net from the end of the current month after documented receipt of faultless Goods, including specified shipping documents and receipt of a pertaining and faultless invoice.

Alternatively the Company will be granted a three percent (3 %) deduction from the invoice amount for payments within eight (8) days.

Supplier invoices shall correspond to the guidelines of the Company. They are specified in „FB U3.04_LEITFADEN FÜR ZULIEFERER“ („FB U3.04_GUIDELINES FOR SUPPLIERS“).

Delivery of deficient Goods shall entitle the Company to retain payment until the flaw has been rectified.

Within the extent allowed by law, payments shall be executed by way of credit memo procedure.

5 LEAD TIME, APPROVAL OF PRODUCTION AND MATERIALS, DELIVERY FORECAST

Time and quantities are of the essence. Supplier agrees to one hundred percent (100%) on-time delivery of the quantities and at the times specified by the Company, as stated in the Order. The timely delivery of Goods shall be warranted by the lead time as agreed in the Contract. For such purpose, the Supplier shall include the time requirements for packaging, dispatch and relevant customs formalities in lead time. The Supplier furthermore has to make sure the availability of required production capacity in order to fulfil quantity demands and delivery times from Orders and Call-offs (inclusive forecast quantities) plus a short-term quantity increase (within two (2) weeks) of up to fifteen percent (+15%).

Applicable for local deliveries:

The purchase commitment of the Company from Call-offs shall be limited to four (4) weeks production go-ahead and another four (4) weeks material go-ahead, consecutively based on the last Call-off. Quantities in excess of these release periods are forecast quantities.

Applicable for supplies from overseas:

The purchase commitment of the Company from Call-offs shall be limited to four (4) weeks production release and further four (4) weeks material release, consecutively based on the last Call-off. Quantities in excess of these release periods are forecast quantities.

6 RISK ASSUMPTION AND OWNERSHIP OF GOODS

Ownership of Goods and the risk of accidental loss shall be transferred at the point in time and at the place of delivery as specified in the supply contract (pursuant to INCOTERMS (International Commercial Terms), (2000).

7 REFUND OF COSTS

In case that Supplier cannot fulfil delivery - for circumstances to be defended by Supplier - as contractually agreed on, the Company shall be entitled to a refund of all previously made payments. The right to refund is in addition to all of the Company's remedies at law or under the Contract. Any other rights of the Company, existing according to law or these Terms, remain intact.

8 COMPETITIVENESS

Company and Supplier are in agreement that maintaining competitiveness of Goods is of significant relevance for the supply relationship.

"Competitiveness of Goods" is assured if Goods match comparable Goods from competitors in terms of price and technology.

Should the Company be offered a comparable product at competitive terms, the Company shall inform the Supplier accordingly in writing and set an appropriate time limit for the Supplier to re-establish the complete competitiveness of Goods. The Supplier will immediately compile a catalogue of measures to regain competitiveness and hold the catalogue – containing a rectified offer - at the disposal of the Company. With this rectified offer, the Supplier shall warrant competitiveness of Goods within the adequate time limit granted by the Company.

The parties are in agreement that the obligation to maintain competitiveness in accordance with this paragraph forms a vital obligation of the Contract.

9 VALUE EVALUATION AND COST ANALYSIS

Supplier shall be responsible to undertake value evaluations as well as cost analyses in respect of all Goods. Supplier shall be required to disclose all relevant costs to the Company in a detailed cost breakdown. The Supplier shall allocate qualified personnel for value evaluation and cost analysis, in coordination with the Company.

10 SET-OFF; RECOUPMENT

In addition to any right of setoff or recoupment provided by law, all amounts due to Supplier will be considered net of indebtedness of Supplier and its affiliates or subsidiaries to the Company and its affiliates or subsidiaries. The Company shall be entitled to set off against or to recoup from any payment or other obligation owed to Supplier, in whole or in part, any amounts due to the Company or its affiliates or subsidiaries from Supplier or its affiliates or subsidiaries.

11 EXTENT OF DELIVERY AND SERVICE, DATE OF DELIVERY, ACCEPTANCE

Prior to the acceptance of any Order, the Supplier shall undertake to analyze and examine specifications, samples, drawing and other agreed-upon and documented requirements for the Goods. The Supplier then commits to confirming in writing that specifications and drawings are suitable and sufficient for the production of Goods in compliance with the Contract and also commits to producing accordingly and warrants the existence of these properties (guarantee of quality, compare with article 19, item 2).

Delivery time of Goods is agreed to be of essence for the fulfilment of the Contract. Delivery must be executed at the point of time ("Delivery Date") specified in the Order or Call-off or as otherwise convened in writing between the parties. Supplier shall be liable for all direct and indirect damages which could arise for the Company from non-compliance with the delivery terms.

The Company may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments without any obligation to Supplier and without entitling Supplier to modify the price. The Company is not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries.

11.1 DEVIANT DELIVERIES

The Company is not obligated to accept early deliveries, late deliveries, partial deliveries or excess deliveries.

The Supplier bears the risk of loss of Goods which are supplied ahead of Delivery Date.

The Company is entitled to return early, late, partial or excess deliveries, and Supplier shall be responsible for all costs resulting from packaging, handling, sorting and transporting.

Should Supplier exceptionally have to execute a delivery not in compliance with the Contract, it is absolutely required to obtain, prior to arrival of the shipment, a clearance by means of a "Request for Concession" (deviation authorization), and this in case of

- Quality-relevant deviations: from the corresponding quality assurance department;
- Logistics-relevant deviations: from the materials management department of the Company.

The expectations of the Company in dealing with such exceptions are specified in "FB U3.04_LEITFADEN FÜR ZULIEFERER" ("FBU3.04_GUIDELINES FOR SUPPLIERS", chapter 2.10),

11.2 PACKAGING, DISPATCH AND DOCUMENTATION

All Goods shall be appropriately packed, marked and, under observance of customary care, shipped in a way as to ensure the lowest possible shipping cost.

Packaging and documentation of goods has to comply with guidelines of the Company. These are specified in "FB U3.04_LEITFADEN FÜR ZULEFERER" ("FB U3.04_GUIDELINES FOR SUPPLIERS", chapter 4).

Supplier shall be liable for costs for any direct and indirect damages which the Company incurs due to negligence on the part of the Supplier to carefully pack, dispatch and document Goods.

11.3 NOTIFICATION OF DEFECTS

In case of purchase or work delivery, the Company shall report deficient Goods in written form to the Supplier, as soon as they have been ascertained in the orderly course of business. In this respect, the Supplier foregoes the objection of late notification of defects. The Company's inspection of the Goods does not constitute acceptance of the Goods. The Company's acceptance, inspection or failure to inspect does not relieve Supplier of any of its responsibilities or warranties.

The quality warranty contained in article 19, item 1, is not subject to any obligation of inspection or notification and its assertion is - within the agreed warranty period - possible at any time (compare with article 19, Warranty).

Payment of invoices shall not constitute acceptance of deficient Goods and does not limit or impair the Company's right to assert any legal or equitable remedy, and does not relieve Supplier's responsibility for defects.

12 ASSIGNATION AND SUBCONTRACTING

The Supplier shall not assign or subcontract the contractual obligations, in full or in part, without the prior written consent of the Company.

Should the Company agree with such a transfer for subcontracting, the Supplier shall continue to remain responsible for all obligations of the Supplier within the scope of the Contract.

In case of such a subcontract, it is up to the Supplier to incorporate in the Terms such conditions as to assure conformity with the Contract with the Company.

The Supplier furthermore shall have to make sure that such conditions will be directly enforceable by the Company.

Upon demand of the Company, Supplier shall provide details of any such subcontracting agreements.

13 TECHNICAL ALTERATIONS

The Company is entitled at all times to undertake alterations in specifications, logistics requirements (such as packaging and shipping), scope of work (such as inspection, testing or quality control). Supplier will promptly make any such requested change. Such modifications desired by the Company require an immediate response on the part of the Supplier, as a rule within five (5) days. In order to request a change in price or time of performance as a result of such a change, Supplier shall clearly formulate and itemize in writing to the purchasing department of the ordering location of the Company the requested alterations of delivery time, price and cost. The Company can request additional documentation from Supplier relating to any change in specifications, price or time for performance. Supplier will not make any alterations to the design, specifications, processing, packing, marking, shipping, price or date or place of delivery except at the Company's written instruction or with the Company's prior written approval.

14 CONTRACT DURATION**14.1 DELIVERY OBLIGATION**

If Supplier accepts an Order from the Company for delivery, based on the agreed-upon delivery contract, such Supplier shall be responsible for fulfilment of the delivery contract.

This also holds true in particular for the storage period after termination of delivery of a series.

Supplier shall guarantee to the Company at all times the confirmed capacity and output (number of parts) based on current technology.

Supplier shall keep required production tooling, as needed for the production of parts, in storage for fifteen (15) years after termination of a production series.

On expiry of a period of fifteen (15) years, the Company has the option to acquire the means of manufacturing from Supplier or the latter's further obligation for storage will lapse.

14.2 TERMINATION FOR COMPELLING REASONS

The Company shall be entitled to terminate an Order or Contract for compelling reasons, without this resulting in a liability or a right for compensatory payment pursuant to article 14.3, if

14.2.1

Supplier breaches material or essential provisions or the Order or Contract and such breach is not remedied within thirty (30) days from notification of breach of obligation. Examples of material or essential breaches of obligation include, but are not limited to, the failure to comply with delivery times (article 11) and the delivery of Goods that do not correspond to the quality as guaranteed (article 19);

14.2.2

Supplier abdicates or indicates its intent to abdicate its agreed-upon commitments;

14.2.3

Supplier becomes insolvent, files a petition for insolvency or liquidation proceedings, appoints an insolvency administrator or custodian, or if a liquidation by arrangement takes place;

14.2.4

A significant change in the ownership status or shareholder participation in enterprises of the Supplier occurs.

Termination shall be carried out by written explanation to the Supplier that the Contract will be cancelled in full or in part, and by adhering to an appropriate termination period (6 weeks to the end of the current month).

14.3 TERMINATION AGAINST COMPENSATORY PAYMENT**14.3.1**

In addition to all other rights of the Company to terminate the Contract or Order, the Company may also cancel the Contract or Order of parts thereof without indication of reasons vis-à-vis the Supplier, by giving thirty (30) days' written notice to Supplier. In case of such type of termination, the Company shall pay Supplier the following amounts:

- the contractual delivery price for nonpaid and already delivered Goods that are free of defects and that were accepted by the Company;
- the contractual delivery price for all Goods produced in compliance with a delivery contract and that have not yet been paid;
- plus the actual direct cost of unfinished products and raw materials which Supplier committed for on the strength of preparation of Goods in line with the Contract and provided that such costs are equitable;
- From the above amounts, the Company shall be entitled to deduct:
 - o the appropriate value or, if higher, the cost of Goods and materials which subsequently will be used or sold by Supplier with written approval of the Company; and
 - o the cost of damaged or destroyed Goods and materials.

In cases falling under article 14.3.1, finished Goods and raw materials shall, if so requested, be transferred to the Company.

14.3.2

The Company shall be under no obligation, under any circumstances, to pay for finished Goods, unfinished products and raw materials exceeding ordered quantities or purchase commitments of the Company in line with terms of article 6, nor shall the Company have to reimburse Goods or materials that represent normal stocks of the Supplier or that can be easily sold.

14.3.3

Payment according to this clause shall not exceed the total price for finished Goods which Supplier would have manufactured within the scope of all pending supply contracts, at the time of termination.

15 QUALITY CONTROL AND DOCUMENTATION**General**

Supplier shall adhere to the currently recognized provisions, safety rules and technical agreements for deliveries. Supplier undertakes to regularly monitor the quality of Goods supplied. The parties undertake to inform each other about possibilities to improve quality.

If necessary the parties shall mutually arrange uniform testing methods.

Upon invitation, Supplier will participate in all quality and development programs of the Company or its customers.

Supplier shall observe the technological state of the art when developing and producing Goods and meet all quality standards, provisions and legal requirements applicable to the Goods, customer demands as communicated by the Company as well as currently effective requirements of the car industry (www.vda.de), IMDS (International Material Data System) exigencies, JR and REACH (Registration, Evaluation and Authorization of Chemicals)

Supplier shall undertake random sample checks and record test results in the form as stipulated by the Company.

Supplier shall maintain records of the test results in accordance with provisions of the quality clauses, but at least ten (10) years.

Modifications in Production

Without the Company's prior written consent, Supplier shall not substitute materials, modify specifications of Goods or undertake alterations of the status documented in PPAP.

Production Tooling put at the Supplier's disposal within the scope of the Contract shall at no time be removed from the adapted and agreed-upon premises of the Supplier.

Unless otherwise defined in written form, a displacement of Production Tooling requires prior announcement to and approval by the Company.

For the shifting of production to another manufacturing site or to a subcontractor prior consent by the Company shall also be mandatory.

Repetition of the Production Part Approval Process (PPAP)

The following special cases require the submission of a PPAP to the Company:

- Considerable/extensive damages to or destruction of relevant Production Tooling for the manufacture of goods:

Suppliers shall inform the Company without delay and in written form about extensive and heavy damages to or destruction of Production Tooling. Based on such information, the Company will decide whether the submission of new prototype samples is to be required.

- Modifications of elements relevant to the process.
- Planned resumption of production after a dislocation of Production Tooling.
- After production clearance/product order from Production Tooling, once it has not been used in manufacturing for twelve (12) months or more.

16 ENVIRONMENTAL AND SAFETY PROVISIONS

Supplier shall comply with all legal prescriptions, regulations, provisions and obligations in terms of environmental, working and safety requirements in the countries of production and distribution.

It is the Supplier's responsibility to make sure that pertinent provisions on dangerous Goods transporting are adhered to. The Supplier shall assure that for the handling of dangerous Goods and substances only personnel specifically trained for this purpose is employed and that only technical aids, containers and installations, as approved for the transport of such dangerous Goods and substances on public roads, will be used. The Supplier shall commit to preparing an overview of all dangerous Goods and substances which find application in executing the delivery contracts. The

Supplier shall also commit to holding the respective safety data documentation in readiness. The Supplier shall absolve the Company of all and any claims or damages caused by the improper handling of dangerous Goods and substances.

The Supplier shall keep material safety data sheets pertaining to the Goods ready. The Supplier must provide the Company with appropriate literature on installations, servicing and maintenance, - literature that contains all specific warning notices or instructions in the language of the Company's country as well as in English - as to optimize the useful life and the performance of the Goods.

For means of manufacturing relevant to the manufacturing process of Goods for the supply of the Company, the use of the CE (European Community) marking as well as a pertaining verification of conformity shall be mandatory.

17 INSPECTION

Upon reasonable notice to Supplier, the Company may conduct a routine audit of Supplier's production facility for the purpose of quality, cost or delivery verification. Supplier will ensure that the terms of its contracts with its subcontractors provide the Company with all of the right specified in this Section.

18. INSOLVENCY

See article 14.2.3.

19 WARRANTY

Warranties shall be governed by the legal provisions of the country in which the Company that has concluded the Contract with the Supplier, is located, unless deviating regulation applies.

Supplier shall guarantee that all Goods delivered comply with specifications, samples, drawing and other agreed-upon and documented requirements.

Pursuant to the quality guarantee, the Supplier shall be liable, regardless of negligence or fault, in for all direct or indirect damages resulting to the Company due to of lack of agreed-upon quality of product/s.

The period for this warranty and for deficient Goods shall be thirty six (36) months from the day of delivery of Goods to the Company.

If Goods do not fulfil the aforementioned warranty, the Company may at its own discretion, aside from above-mentioned compensation for damages, demand that Supplier repair the Goods at Supplier's risk and cost or replace it with defect-free Goods or, if the Goods are already in the production process of the Company or one of its customers, repair, replace or substitute the Goods on its own or through third parties, but always at the cost of Supplier.

If deficient Goods are already installed and have been delivered to the Company's customers, and insofar as defective Goods are not being presented to the Company by its customers for inspection, the Supplier shall recognize the detection of a defect by a customer of the Company or by third parties appointed by such customer (e.g. a repair shop) as proof of defect even without presentation of such defective Goods.

The Supplier shall compensate the Company for all expenses incurred in connection with the delivery of defective Goods (including shipping, sorting, handling, assembling and disassembling, material- and labor costs).

If the Supplier is not in a position to satisfy claims made by the Company in accordance with the warranty commitments, the Company shall be entitled to withdraw from the Contract without further

announcement and to return to the Supplier - at Supplier's risk - already delivered Goods.

The Company's rights and remedies under these Terms and any agreement or Order will be cumulative with and in addition to all other legal or equitable remedies.

20 INDEMNIFICATION ; LIMITATION OF LIABILITY; RECALLS

To the fullest extent permitted by law, Supplier will defend, indemnify and hold harmless the Company and its affiliates and subsidiaries against all damages, losses, claims, liabilities and expenses (including reasonable attorneys' and other professional fees, settlements and judgments) arising out of or resulting from any defective Goods supplied by Supplier, or from any negligent or wrongful act or omission of Supplier or Supplier's agents, employees or subcontractors, or any breach or failure by Supplier to comply with any of Supplier's representations or other terms and conditions of any Order or Contract (including any part of these Terms).

If the Company is compelled to execute a recall action because of product defects in the sense of article 1, Supplier shall be liable to refund to the Company all expenditures arising from or in connection with such recall. Additional legal claims of the Company for damages shall remain unaffected.

The Company shall comprehensively inform and consult with the Supplier if the latter intends to involve the Company in a recall action. The Company shall provide the Supplier with the opportunity to investigate the event of damage. The contractual parties shall coordinate any action to be taken, most particularly a compromise settlement.

Obligation of replacement shall be excluded insofar as the Company has effectively limited its own liability vis-à-vis third parties. In such cases the Company shall endeavour to arrange liability limitations within the legally admissible extent also in favor of the Supplier.

If not otherwise agreed upon above, liability shall be based on the legal provisions of the country in which the Company is located at the time of concluding the Contract with the Supplier.

21 INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS AND LICENSES

Supplier agrees to defend, hold harmless and indemnify the Company, its successors and customers against claims of direct or contributory infringement or inducement to infringe any proprietary right (including any patent, trademark, copyright, moral, industrial design right or misuse or misappropriation of a trade secret) and against any resulting damages or expenses, including attorneys' or other professional fees, settlements and judgments, arising in any way in relation to the Goods procured or provided by Supplier (including without limitation their manufacture, purchase, use and/or sale), including such claims where Supplier has provided only part of the Goods. Supplier expressly waives any claim against the Company that such infringement arose out of compliance with the Company's specifications, except to the extent such infringement is actually embodied in designs created by the Company and provided in writing to the Supplier.

Supplier hereby waives any claim against Supplier, including any hold-harmless or similar claim, in any way related to a third party claim asserted against Supplier or the Company for infringement of any proprietary right (including any patent, trademark, copyright, moral industrial design right or misuse or misappropriation of a trade secret).

The Company and its subcontractors and direct and indirect customers have the worldwide, irrevocable right to repair, reconstruct or rebuild, and to have repaired, reconstructed or rebuilt, the Goods delivered under an Order without payment of any royalty or other compensation to Supplier. Manufactured parts based upon the Company's designs, drawings or specifications may not be used for Supplier's own use or sold to third parties without the Company's express written consent.

Supplier agrees that all inventions, discoveries or improvements (whether or not patentable) that are conceived or first reduced to practice by Supplier or by any person employed by or working under the direction of Supplier in the performance of an Order or other contract between the Company and Supplier are the property of the Company, and Supplier agrees to execute any assignment or other document required by the Company to allow the Company to obtain title and enforce its rights in the property.

Except as expressly agreed by the Company in a signed writing, all Goods and other deliverables provided under an Order or other contract between the parties, and all related intellectual property rights, are owned solely by the Company. Supplier will ensure that the terms of its contracts with its subcontractors and employees are consistent with the terms of this section. At no additional cost, Supplier will grant the Company a license to use any intellectual property owned by Supplier that is necessary or incident to the reasonably intended use or application of the Goods purchased by the Company from the Supplier.

Except as expressly agreed by the Company in a signed writing, all Goods or other deliverables (including without limitation computer programs, technical specifications, documents and manuals) provided by Supplier will original to the Supplier and will not incorporate any intellectual property rights (including copyright, patent, trade secret or trademark rights) of any third party.

Provided that standard application software is part of a delivery contract, Supplier shall be responsible for obtaining an unrestricted usage right for the Company and its customers, and the software shall be freely transferable. The Supplier shall be bound to hold the required software at the disposal of the Company. Compensation for multiple usages is explicitly excluded. The Supplier assures that the software sold is free of viruses or similar defects.

22 MARKINGS

The Company requirements for marking its goods are specified in "FB U3.04_LEITFADEN FÜR ZULIEFERER" ("FB U3.04_GUIDELINES FOR SUPPLIERS"). Supplier shall be bound to uphold this requirement when supplying the Company.

If the parties have concluded a contract for Goods on which a copyrighted trade mark of the Company is fit, such Goods may only be delivered directly to the Company or to third parties cleared accordingly in writing by the Company. Should such marked Goods be the cause of a complaint and be returned to Supplier, they shall be rendered unusable at Supplier's cost.

Deviations from this rule shall require the written release of the Company location which has ordered the Goods.

23 NON-DISCLOSURE / CONFIDENTIALITY

Supplier acknowledges it will be receiving proprietary and confidential information (including without limitation technical, procedural, and financial information) will be received from the Company, regardless of whether such information is marked or identified as confidential. Supplier will keep all proprietary and confidential information of Buyer in strictest confidence, will not disclose or permit disclosure to others and will not use such information other than for the purpose of providing Goods to the Company. Supplier shall not directly or indirectly publish such information, including copies thereof, for its own purposes or for third parties use except with the prior written consent of the Company. Upon completion of the Contract all such information shall be returned to the Company.

The restrictions of this provision shall not apply to information that the Supplier has obtained in a legally admissible manner from a third party without an obligation of confidentiality to the Company or that is freely available to the public. The Supplier shall bind its subcontractors to uphold these confidentiality obligations and shall be responsible for any breach by a subcontractor.

24 PROVIDED PROPERTY AND PRODUCTION TOOLING

The requirement of the Company for production tooling for the manufacturing of Goods for the Company is regulated in “**FB LA 3.52 General Terms and Conditions for Tooling**”. Supplier shall commit to recognizing and complying with the requirements of the Company defined therein.

25 ISSUANCE OF PRODUCTION TOOLING

Should the Company rescind the Contract on the strength of reasons cited in article 14 or by exercising any other legal right, the Company shall be entitled to demand the immediate handing over of any Production Tooling that was entrusted to the Supplier.

26 SUPPLIER'S PRODUCTION TOOLING

The Supplier shall grant the Company the irrevocable option for the acquisition of ownership and property of Production Tooling as required for and as specific to the production of Goods (“Essential Tools”) against payment of current value thereof less the amount which the Company prepaid or which is being amortized via price of Goods.

Such option shall not apply if the Supplier needs the Essential Tools for the production of the other standard products.

In the case of the Company taking up the option, the Company's requirements are regulated by “**FB LA 3.52 General Terms and Conditions for Tooling**,” and Supplier shall accept them.

27 ADVERTISING BAN

The Supplier shall not, without prior written consent by the Company, publicly promote and/or advertise the business relationship with the Company or the Goods.

Exceptions to this rule require an extraordinary written release which shall be valid only for this specific occasion.

28 PROOF OF ORIGIN

The Supplier commits to procuring the full documentation and other information as required by customs regulations or other applicable government provisions. The Supplier shall furthermore submit, immediately upon demand by the Company, the necessary declarations prescribed by customs law as to origin of Goods and its components. The Supplier shall be liable for any disadvantage (including without limitation costs, fines and any other damages) incurred by the Company as a result of non-conforming or late declarations or from non-compliance with customs provisions. If required, the Supplier shall prove its information on origin of Goods by means of an information sheet confirmed by the customs office.

29 INSURANCE

The Supplier shall commit to adequate insurance protection (in particular comprehensive general liability, product liability and recall insurance) against its obligations resulting from the Contract.

A copy of the insurance policy shall be provided to the Company as evidence.

The Supplier shall review and document such adequate insurance protection on annual basis. Upon demand, the relevant documentation shall be disclosed to the Company.

30 EMERGENCY PLAN

Within the framework of contract negotiations, the Supplier shall submit to the Company an emergency plan which, in case of an operational breakdown, plausibly guarantees resumption of production within less than twenty-four (24) hours and for seven (7) days per week.

All measures required in such a case shall be clearly communicated to the Company (including without limitation the possible availability of service personnel at Supplier's end).

If the Supplier accepts an Order for delivery to the Company, the Supplier shall hand to the Company at the beginning of the project an emergency plan for the production with and/or from Production Tooling.

31 FORCE MAJEURE

None of the parties shall be answerable for damage, if contractual commitments cannot be fulfilled due to circumstances outside the parties' control, such as fire, explosion, labor conflict or because of inaction by an authority or a government. Such excuse for non-fulfilment shall be valid only for the duration of one of the above described events.

The Company reserves the right to pass on costs necessary to maintain necessary production.

In such case, the Company shall be entitled for the duration of such events to procure products or services covered by the contract elsewhere.

The Company shall be permitted to reduce its purchases accordingly within the extent of the contract and no demands for damages towards the Supplier shall result.

The contractual partners shall be bound, within reasonableness, to adjust their obligations to the changed terms and to expeditiously provide the other party with useful and necessary information.

32 SEVERABILITY CLAUSE

If a provision of this Contract shall be held to be invalid or unenforceable based on a law or another legal rule, such provision shall be considered, depending on the case, as modified or abrogated to the extent that compliance with the laws or other legal rules is enabled.

The parties shall furthermore convene legally effective substitutes or supplementary rules for the passages concerned, coming as close as possible to the originally intended provision.

Validity of the other terms shall not be affected by the above.

33 PREVAILING LAW

If not otherwise explicitly agreed, this Contract shall be governed and interpreted in accordance with the laws of the country in which the branch of the Company which has concluded the Contract with the Supplier is located.

The provisions of the UN Convention for Contracts on International Sale of Goods (CISG) and the Collisions Regulations of the International Private Law shall be expressly excluded.

Company and Supplier declare their agreement with jurisdiction at the place of business of the Company for any disputes in connection with the Contract. The Company shall furthermore be entitled to file an action against the Supplier also at the Supplier's legal venue.

34 GENERAL PROVISIONS

If a party at any point in time does not require from the other party compliance with the provisions of the delivery contract, the right to demand compliance at a later date shall remain inviolate. Waiving

the right to enforce remedy against a breach of a provision of the delivery contract shall not constitute abrogation of enforcing remedy against a subsequent breach against the same or other provisions.

An Order or delivery contract (including its terms) shall be, according to the will of the partners, the complete and exclusive declaration of the contractual terms. Earlier contract negotiations between the parties or custom of the trade cannot be used by the Supplier for purposes of supplementation or interpretation of a delivery contract.

35 MODIFICATIONS OF TERMS AND CONDITIONS

Any modification of the Terms shall be in written form and require written release on the part of the Company.