

General Purchasing Terms and Conditions

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1. DEFINITIONS

If terms are specified in this Section 1, they shall have the meaning assigned to the respective term without the meaning being specified again in the other sections.

GPC	are these General Purchasing Terms and Conditions, consisting of this document any appendices.
AFFILIATED COMPANY	is any legal unit that (i) is controlled by FAURECIA S.A. and/or (ii) any legal successor of FAURECIA S.A. "Controlled" within the meaning of this definition means direct or indirect possession of at least forty percent (40%) of the shares or voting rights in such legal unit. AFFILIATED COMPANIES of the SUPPLIER or of a third party are those set forth in §§ 15 et seq. AktG [German Stock Corporation Act].
AUDIT	is the auditing of the contractually owed actions of the SUPPLIER.
AUDITOR	is the person or group of persons that are named by our COMPANY at its discretion and undertakes the AUDIT.
BACKGROUND	is the entirety of the respective CONTRACTING PARTY'S INDUSTRIAL AND INTELLECTUAL PROPERTY that is already in existence at the time of the conclusion of the CONTRACT.
COMPANY	is the AFFILIATED COMPANY of FAURECIA S.A. that issues the PURCHASE ORDER.
CONTRACT	is the entirety of all contractual documents that are listed in Section 3.1.
CONTRACTING PARTY or CONTRACTING PARTIES	is/are our COMPANY and/ or the SUPPLIER, together or each individually.
CONTRACTUAL PERFORMANCE	is CONTRACTUAL PRODUCTS and / or SERVICES.
CONTRACTUAL PRODUCTS	are all goods, products, equipment, or materials that are a subject matter of the CONTRACT. The drawings, models, templates, samples, or similar objects or data on which the CONTRACTUAL PRODUCTS are based, regardless of whether they are electronic or physical, shall constitute a part of the respective CONTRACTUAL PRODUCTS as an ancillary consideration.
CUSTOMER	is the automobile manufacturer to which our COMPANY directly or indirectly delivers the CUSTOMER PRODUCTS. If our COMPANY was not designated by the automobile manufacturer, the CUSTOMER is the COMPANY that designated our COMPANY for the delivery of the CUSTOMER PRODUCTS or, as the case may be, engaged our COMPANY therewith.
CUSTOMER PRODUCTS	are our COMPANY'S products, in which the CONTRACTUAL PERFORMANCE is included.
DEFAULT	is present if the debtor does not render its performance that is due in spite of warning, unless warning is unnecessary. The warning only has to be heeded if it takes place after the due date has been reached.
DEFECTS	are physical and legal defects within the meaning of §§ 434 et seq. BGB [German Civil Code].
FAURECIA	are the AFFILIATED COMPANIES of FAURECIA S.A., including our COMPANY.
FAURECIA S.A.	is Faurecia S. A., a limited liability corporation headquartered at Rue Hennape 2, 92000 Nanterre, France, registered in the Commercial Register of Nanterre under number 542 005 376.
FRAMEWORK CONTRACT	is a CONTRACT that contains all substantial contractual content with respect to the delivery of CONTRACTUAL PERFORMANCE, with the exception of delivery dates or exact delivery quantities, and which provides that delivery dates and exact delivery quantities are to take place within the framework of individual call-offs.
GOOD CAUSE	is present if facts are at hand that taking into account all circumstances and the interests of both CONTRACTING PARTIES makes it unreasonable for the terminating CONTRACTING PARTY to continue the CONTRACT. A GOOD CAUSE is not at hand if (1) the facts pertain to the sphere of risk of the terminating CONTRACTING PARTY or (2) the cause can be eliminated by amending the CONTRACT and it can be reasonably expected of the CONTRACTING PARTIES to continue the CONTRACT with this amendment.
INDUSTRIAL AND	is the industrial and intellectual property of a CONTRACTING PARTY or third party, including the

INTELLECTUAL PROPERTY	PROPRIETARY RIGHTS and KNOW-HOW.
INVOICE	is a commercial invoice that entitles input tax deduction and contains all of the information necessary for identification and checking of the relevant delivery of the CONTRACTUAL PERFORMANCE.
KNOW-HOW	is know-how of any kind, particularly inventions, test and development reports, drawings, models, ideas, suggestions, and calculation results of the Supplier.
ORDER CONFIRMATION	is a copy or separate confirmation of the PURCHASE ORDER signed by the SUPPLIER.
PARTICULAR CONDITIONS	are separate business terms and conditions, including any appendices, that are also intended to be applicable in accordance with the PURCHASE ORDER.
PROPRIETARY RIGHTS	are patents, utility patents, trademarks, design patents, copyrights or other proprietary rights, regardless of whether they are already issued or are not issued until a later point in time.
PURCHASE ORDERS	are all documents, including FRAMEWORK CONTRACTS, by means of which our COMPANY orders CONTRACTUAL PERFORMANCE.
REMUNERATION	is the price that our COMPANY has to pay as consideration for the CONTRACTUAL PERFORMANCE.
RESULTS	is the entire (protected and unprotected) INDUSTRIAL AND INTELLECTUAL PROPERTY created by the respective CONTRACTING PARTY after entering into the CONTRACT within the framework of rendering of the CONTRACTUAL PERFORMANCE.
RIGHT OF USE	is the right to exploit an item or a right. It encompasses, in particular, the right of production, further development, reproduction, dissemination, presentation, adaptation, redesign, use, and marketing. Unless expressly provided in the CONTRACT, the RIGHT OF USE is freely transferable, has an unlimited term, and is valid worldwide.
SERVICES	are all services that are a subject matter of the CONTRACT.
SUBCONTRACTOR	is any third party that the SUPPLIER entrusts with the execution of at least part of the CONTRACTUAL PERFORMANCE.
SUPPLIER	is the CONTRACTING PARTY that is required to render CONTRACTUAL PERFORMANCE to our COMPANY.

2. SCOPE OF APPLICATION

These GCP shall apply to all PURCHASE ORDERS issued by our COMPANY. The applicability of the general terms and conditions of the SUPPLIER shall be barred, even if an objection is not specifically raised against them.

3. CONTRACTUAL DOCUMENTS

- 3.1 The CONTRACT consists of the following documents: (i) the PURCHASE ORDER, (ii) the PARTICULAR CONDITIONS, if applicable, (iii) the ORDER CONFIRMATION and (iv) these GCP. In the event of conflicts between provisions of the CONTRACT, the priority of the documents shall be determined according to the foregoing sequence.
- 3.2 The CONTRACT contains all of the agreements between the CONTRACTING PARTIES and shall have priority over all prior, express or implied, written or verbal, assurances and/or agreements.
- 3.3 Amendments of the CONTRACT must be in writing and must be validly signed by the CONTRACTING PARTIES. This shall also apply to the amendment of this written form requirement.

4. PURCHASE ORDERS

- 4.1 The CONTRACT shall be concluded, if the SUPPLIER dispatches an ORDER CONFIRMATION to our COMPANY by fax or letter within a period of ten (10) calendar days from dispatch of the PURCHASE ORDER. The date of the PURCHASE ORDER shall be deemed to be the date of dispatch, if the date of dispatch of the PURCHASE ORDER is not determinable.
- 4.2 Our COMPANY shall be entitled to revoke PURCHASE ORDERS in writing without a statement of grounds at any time prior to receipt of the ORDER CONFIRMATION. Timely revocation shall not establish any claims whatsoever on the part of the SUPPLIER for compensation or compensatory damage payments.
- 4.3 If the SUPPLIER does not dispatch an ORDER CONFIRMATION and the PURCHASE ORDER has not been revoked in accordance with Section 4.2, the contract shall, by way of deviation from Section 4.1, be concluded as soon as the SUPPLIER executes a PURCHASE ORDER in whole or in part and our COMPANY accepts the respective CONTRACTUAL PERFORMANCE without reservation.

5. CHANGE OF THE CONTRACTUAL PERFORMANCE

- 5.1 Our COMPANY shall be entitled to demand changes of the CONTRACTUAL PERFORMANCE from the SUPPLIER at any time. The SUPPLIER shall be required to promptly review the feasibility and the technical and commercial effects of the changes and transmit a written offer to our COMPANY concerning implementation of the changes. The offer must contain a detailed description of the effects of the changes (particularly with respect to the safety of the CONTRACTUAL PERFORMANCE, the costs, and the delivery dates) and the necessary documentation.
- 5.2 If our COMPANY accepts the SUPPLIER'S offer, the CONTRACTING PARTIES shall undertake all necessary adjustments in writing prior to implementation of the changes. This shall apply, in particular, to the adjustment of the technical specifications, the drawings, the REMUNERATION, the delivery dates and other time periods.
- 5.3 If the CONTRACTING PARTIES do not reach an agreement with respect to all necessary changes, our COMPANY shall be entitled to either
- engage a third party to implement the changes. In such case, the SUPPLIER promises to deliver to our COMPANY all drawings, technical specifications and other documents that are necessary to the planning and implementation of the changes. If not already compensated within the framework of the REMUNERATION, the SUPPLIER can demand reasonable remuneration for the use of the aforementioned documents following their delivery; or
 - terminate the CONTRACT in whole or in part.

6. INFORMATION, NOTICES, WARNINGS

The SUPPLIER is a specialist in the area of the CONTRACTUAL PERFORMANCE. As such, it shall be required to promptly transmit to our COMPANY all necessary information, notices, and warnings relating to the CONTRACTUAL PERFORMANCE, regardless of the skills and/or KNOW-HOW of our COMPANY. In particular, the SUPPLIER has to

- provide our COMPANY with all information and notices that are necessary to the correct storage and use of the CONTRACTUAL PERFORMANCE;
- ensure that the technical specifications of the CONTRACTUAL PERFORMANCE are complete and suitable for and commensurate to the contractually agreed upon or known intended use. The SUPPLIER shall be required to promptly inform our COMPANY if the CONTRACTUAL PERFORMANCE violates legal provisions of countries in which the CUSTOMER PRODUCTS are sold or used. This duty to inform shall be inapplicable, if the SUPPLIER is neither aware, nor should be aware, of the aforementioned countries;
- inform our COMPANY of any quality risks or other inadequacies of which it is aware with respect to the CONTRACTUAL PERFORMANCE and promptly warn our COMPANY if the CONTRACTUAL PERFORMANCE is defective, particularly if such DEFECT could endanger the safety of people or property; and
- propose measures to our COMPANY to improve the quality and reduce the costs of the CONTRACTUAL PERFORMANCE.

7. ACCREDITATION

- 7.1 The SUPPLIER must be accredited by the governmental authorities or organizations listed in the CONTRACT and shall take all necessary steps in order to maintain the accreditation. The accreditation must be provided by an independent organization authorized to do so and must include the CONTRACTUAL PERFORMANCE.
- 7.2 The SUPPLIER has to promptly inform our COMPANY of any potential or actual change of its accreditation status and the steps that have been taken in that regard.
- 7.3 Our COMPANY shall be entitled to suspend the performance of the CONTRACT or terminate the CONTRACT for good cause if the SUPPLIER breaches its obligation with respect to accreditation listed in Sections 7.1 and 7.2. If reasonable, our COMPANY shall ask the SUPPLIER in writing to cease and desist from the breach of duty and remedy the substantial consequences thereof within a reasonable period of time and shall not terminate the CONTRACT until after the expiration of said period of time.

8. QUALITY ASSURANCE

- 8.1 By concluding the CONTRACT, the SUPPLIER accepts our COMPANY'S quality management system, which has been communicated to the SUPPLIER, and promises to strictly comply with the terms and conditions specified therein.
- 8.2 The SUPPLIER has to render the CONTRACTUAL PERFORMANCE in conformity with the quality procedure specified in the CONTRACT. The SUPPLIER has to deliver all certificates relating to the CONTRACTUAL PERFORMANCE and the safety thereof to our COMPANY in copy form.

9. STATUTES AND REGULATIONS

9.1 The SUPPLIER shall

- , to the extent that CONTRACTUAL PERFORMANCE is carried out at a location of our COMPANY, comply with all of the internal instructions and safety, health, and environmental provisions in effect at the location and, if necessary, obtain necessary permits;
- comply with all applicable statutes and regulations, including those in the areas of labor, health, safety, and the environment;
- comply with the provisions of the Convention of the United Nations on the Rights of the Child dated November 20, 1989, which prohibit child labor;
- not use forced labor in any way as in Article 1 of the International Labor Organization Convention on the Abolition of Forced Labor dated June 25, 1957.

9.2 The SUPPLIER acknowledges that the duties listed in Section 9.1 constitute material contractual obligations.

9.3 The SUPPLIER has to comply with all requirements and demands of the CUSTOMER with respect to ethics, social acceptability, and environmental sustainability.

9.4 To the extent legally permissible, the SUPPLIER also promises to comply with the Faurecia Ethics Charter and agree thereto in the contractual relationships with its suppliers, subcontractors, and service providers as well. The Faurecia Ethics Charter has been received by the SUPPLIER and can also be examined at www.faurecia.com.

9.5 The SUPPLIER shall be fully liable for our COMPANY'S damage and costs resulting from any culpable breach of the contractual duties specified in Sections 9.1 and 9.3. The SUPPLIER shall be required to indemnify our COMPANY from all claims by third parties.

10. VICARIOUS AGENTS

The SUPPLIER itself shall be responsible for the monitoring, use, and reasonable payment of all employees, temporary workers, contractors, or other vicarious agents that it uses for the purpose of performing the CONTRACT. The SUPPLIER shall only use qualified and appropriately trained vicarious agents.

11. AUDITS

11.1 Our COMPANY shall be entitled to undertake comprehensive or abbreviated-form AUDITS on the SUPPLIER'S premises in order to ensure the quality of the CONTRACTUAL PERFORMANCE. Within the framework of the AUDITS, our COMPANY shall be permitted, among other things, to check the quality assurance measures and CONTRACTUAL PERFORMANCE before they are carried out.

11.2 Our COMPANY shall be entitled to conduct an AUDIT on the SUPPLIER'S premises at any time during normal working hours upon reasonable advance notification. In general, advance notification shall be deemed to be reasonable, if it is made five (5) business days prior to the performance of the AUDIT. The AUDITS should not unnecessarily impede the SUPPLIER'S operational processes.

11.3 The SUPPLIER declares its willingness to comprehensively cooperate with and assist the AUDITOR. In particular, the SUPPLIER shall grant the AUDITOR access to the production facilities and other premises and provide the requested documents and information. The AUDITOR shall also be entitled to take CONTRACTUAL PRODUCTS with him for documentation purposes.

11.4 If the AUDIT reveals that the SUPPLIER is not complying with the agreed upon quality standards, the SUPPLIER shall promptly take all necessary and reasonable measures in order to achieve said quality standards. In particular, the SUPPLIER shall implement the measures agreed upon during the AUDIT within the agreed upon time periods.

11.5 If AUDITS are conducted as a result of problems that relate to the rendering of the CONTRACTUAL PERFORMANCE (quality problems, delivery difficulties, etc.) and for which the SUPPLIER is responsible, the SUPPLIER shall be required to reimburse our COMPANY for the reasonable documented costs incurred in connection with the AUDIT, as set forth in the relevant provisions concerning the order, by way of bank transfer within twenty (20) calendar days of receipt of the invoice.

11.6 By way of clarification: Any rights of our COMPANY, particularly warranty and damage claims, shall not be affected by the conduct of an AUDIT or measures taken during or as a consequence of an AUDIT. In particular, the SUPPLIER shall be required to independently review all measures and conduct them autonomously. In particular, our COMPANY shall assist the SUPPLIER within the framework of AUDITS solely with respect to compliance with its contractual duties. If the SUPPLIER desires additional information or assistance, an express consulting contract must be concluded with our COMPANY.

12. DELIVERY

12.1 Delivery Terms

- 12.1.1 Unless otherwise designated in the PURCHASE ORDER, delivery of the CONTRACTUAL PRODUCTS shall be made "DDP designated destination" (Incoterms 2010). The place and time of delivery shall be stated in the PURCHASE ORDER.
- 12.1.2 The CONTRACTUAL PRODUCTS must be delivered in accordance with the logistics handbook agreed upon in the CONTRACT. In particular, the delivery documents must conform to the requirements specified therein.

12.2 Packaging

- 12.2.1 The SUPPLIER has to package the CONTRACTUAL PRODUCTS in a reasonable manner commensurate to the mode of transport, such that the CONTRACTUAL PRODUCTS are not damaged during transport, the loading processes, or storage at the destination.
- 12.2.2 The packaging and labeling must be in conformity with the applicable law and the provisions contained in the PURCHASE ORDER.

13. DELIVERY AND PERFORMANCE PERIODS

- 13.1 The time periods designated in the CONTRACT for the rendering of the CONTRACTUAL PERFORMANCE are material to our COMPANY. The SUPPLIER is aware that substantial damage can arise, if the CONTRACTUAL PERFORMANCE is not rendered or, as the case may be, delivered within these time periods.
- 13.2 Rendering the CONTRACTUAL PERFORMANCE early shall require the prior written approval of our COMPANY.
- 13.3 The SUPPLIER has to maintain reasonable backup processes and emergency plans ready for all FRAMEWORK CONTRACTS, in order to ensure the rendering of CONTRACTUAL PERFORMANCE during the entire term of the FRAMEWORK CONTRACTS. The backup processes and emergency plans must, at a minimum, conform to typical industry standards.

14. ACCEPTANCE OF CONTRACTUAL PERFORMANCE

- 14.1 Unless otherwise provided in the following, our COMPANY shall examine the CONTRACTUAL PERFORMANCE within the framework of its usual production processes and inform the SUPPLIER of any DEFECTS after they become known.
- 14.2 Following delivery, our COMPANY shall check the CONTRACTUAL PERFORMANCE with respect to type, quantity, and obvious damage and promptly notify the SUPPLIER of DEFECTS that are detected. A check or notification within five (5) business days from delivery shall always be deemed to be timely without regard to the individual case. In addition, our COMPANY shall examine the CONTRACTUAL PERFORMANCE within the framework of the ordinary production processes and give notice of any DEFECTS promptly after they become known. The SUPPLIER hereby waives the defense of late notification. Additional requirements set forth in § 377 HGB [German Commercial Code] or corresponding provisions of other legal systems or the United Nations Convention on the International Sale of Goods shall not be applicable.
- 14.3 If the SUPPLIER repeatedly renders CONTRACTUAL PERFORMANCE under a Framework Agreement, our COMPANY shall be entitled to reject defective CONTRACTUAL PERFORMANCE. In such case, the SUPPLIER has to pick up the rejected CONTRACTUAL PERFORMANCE at its own expense within eight (8) calendar days of receipt of notification of rejection. Following the expiration of this time period, our COMPANY shall be entitled to send the rejected CONTRACTUAL PERFORMANCE to the SUPPLIER at the SUPPLIER'S expense and risk.

15. PENALTIES

- 15.1 If the SUPPLIER is in DEFAULT with respect to the CONTRACTUAL PERFORMANCE, our COMPANY can demand a penalty in the amount of 0.2 percent of the net price of the tardily rendered CONTRACTUAL PERFORMANCE per completed work day, but not more than a total of five (5) percent of the net price of the tardily rendered CONTRACTUAL PERFORMANCE.
- 15.2 If our COMPANY accepts the tardy CONTRACTUAL PERFORMANCE, our COMPANY shall assert the penalty with the final payment at the latest.
- 15.3 If the SUPPLIER renders CONTRACTUAL PERFORMANCE within the framework of serial delivery, the penalty shall increase to 0.4 percent of the net price of the tardily rendered CONTRACTUAL PERFORMANCE per completed business day, and the maximum sum shall increase to ten (10) percent of the net price of the tardily rendered CONTRACTUAL PERFORMANCE.

16. REMUNERATION AND INVOICING

16.1 General provisions

- 16.1.1 Our COMPANY shall be required to pay the REMUNERATION provided in the PURCHASE ORDER for the CONTRACTUAL PERFORMANCE that is rendered. The following provisions of this Section 16 shall be applicable to the REMUNERATION, unless provided differently in the PURCHASE ORDER.

16.1.2 The REMUNERATION shall constitute lump-sum remuneration for the CONTRACTUAL PERFORMANCE and shall contain all costs of the SUPPLIER associated with the rendering of the CONTRACTUAL PERFORMANCE, including any costs for any RIGHTS OF USE to BACKGROUND and RESULTS, the transfer of RESULTS, transports, administration, ancillary consideration, and quality controls.

16.1.3 The SUPPLIER confirms that it has received all relevant information that it needs for the determination of the REMUNERATION or that it is aware of such information from other sources. In addition, it confirms that it is familiar with the circumstances and peculiarities of the automobile supplier business and has taken them into account in the determination of the REMUNERATION. For this reason, the SUPPLIER shall be disallowed from demanding an adjustment of the REMUNERATION as a result of such circumstances or peculiarities or as a result of a lack of information or calling into question the validity of or eliminating the CONTRACT.

16.2 Invoicing

The SUPPLIER has to comply with the following provisions with respect to invoicing. According thereto, INVOICES must

- correspond to the PURCHASE ORDER and may not be issued until the CONTRACTUAL PERFORMANCE has been rendered.
- contain all information that is necessary in order to identify and check the CONTRACTUAL PERFORMANCE.
- be sent in duplicate to the address named in the PURCHASE ORDER and may not be attached to the CONTRACTUAL PERFORMANCE.

Our COMPANY shall be entitled to return and not pay INVOICES that do not conform to the foregoing requirements.

16.3 Payment terms and conditions

16.3.1 The CONTRACTUAL PARTIES will agree upon the payment terms in the PURCHASE ORDER.

16.3.2 If the SUPPLIER is obligated to issue invoices to our COMPANY for the CONTRACTUAL PERFORMANCE that has been rendered, the due date shall arise not earlier than ten (10) business days after receipt of the INVOICE, including the necessary documentation. If statutory provisions mandatorily provide for a shorter payment term, such term shall be applicable.

16.4 Offset FAURECIA

Our COMPANY shall be entitled to offset REMUNERATION against counterclaims of the SUPPLIER, regardless of the legal relationship from which such counterclaim originates and regardless of which company of FAURECIA is the claimee.

17. WARRANTY

17.1 Unless otherwise designated in the PURCHASE ORDER, the limitations period for defect claims shall be thirty-six (36) months from delivery or, as the case may be, acceptance of the respective CONTRACTUAL PERFORMANCE.

17.2 The SUPPLIER warrants

- that the CONTRACTUAL PERFORMANCE is suitable for the agreed upon intended use or – if no intended use has been expressly agreed upon – ordinary use and is designed to function on a defect-free basis for the duration of the intended use.
- to render the CONTRACTUAL PERFORMANCE in accordance with the recognized rules of engineering – unless otherwise designated in the PURCHASE ORDER.
- to comply with all applicable statutes and provisions.
- to render the CONTRACTUAL PERFORMANCE in accordance with the drawings, specifications, validations, and other documents that define the CONTRACTUAL PERFORMANCE.
- to render the CONTRACTUAL PERFORMANCE in conformity with the initial sample, unless otherwise designated in the PURCHASE ORDER or the aforementioned documents.

17.3 The SUPPLIER shall, at the request of our COMPANY, actively participate at its own expense in AUDITS, discussions, and analyses that relate to the CONTRACTUAL PERFORMANCE and are initiated by our COMPANY or the CUSTOMER.

18. PARTICIPATION BY OUR COMPANY

18.1 As the expert in its field, the SUPPLIER shall be fully responsible for all technical decisions.

18.2 Any suggestions that are given or other acts of participation are to be classified as advice or recommendations and are in no way to be understood as definitive or as an instruction. The SUPPLIER shall independently check such recommendations by our COMPANY for plausibility, state of the art, technical discrepancies, substantive correctness and completeness and adopt them as its own. If the SUPPLIER implements advice or a recommendation in spite of the fact that its own review result was negative, the SUPPLIER shall remain fully responsible, unless it was instructed to do so by our COMPANY in writing (including the signatures of two employees of our COMPANY with representative authority).

18.3 Suggestions or other acts of participation by our COMPANY shall not release the SUPPLIER from its obligation to render defect-free CONTRACTUAL PRODUCTS and meet all time periods and deadlines.

19. INSURANCE

- 19.1 The SUPPLIER has to maintain a business liability and product liability insurance contract with a coverage sum commensurate to the CONTRACT with a demonstrably solvent and recognized insurance company. In general, a reasonable coverage sum is EUR 20,000,000.00 (in words: twenty million Euros).
- 19.2 The insurance must also include coverage for injuries to life, body, or health, as well as all tangible and intangible, direct and indirect, damage, resulting from defective CONTRACTUAL PERFORMANCE.
- 19.3 The insurance must include coverage for recall actions by the SUPPLIER and third parties (including our COMPANY and/or our CUSTOMER). The SUPPLIER shall waive the taking of recourse against our COMPANY and/or our insurance company and promises to also obtain such a waiver from its insurance company.
- 19.4 The SUPPLIER promises to provide our COMPANY with proof of the conclusion of the insurance contract, as well as the premium payments, upon first request.
- 19.5 Keeping the insurance available shall not limit the SUPPLIER'S responsibility. This shall also apply to the amount of any compensatory damage obligations of the SUPPLIER.
- 19.6 The SUPPLIER shall be required to inform our COMPANY of the termination of the insurance contract, regardless of the reason for the termination, promptly within the termination notice period.

20. TRANSFER OF OWNERSHIP AND RISK OF ACCIDENTAL DESTRUCTION

20.1 Transfer of ownership

- 20.1.1 Ownership of the CONTRACTUAL PRODUCT shall pass to our COMPANY upon acceptance or, as the case may be, delivery thereof.
- 20.1.2 If the CONTRACTING PARTIES agree that ownership of the CONTRACTUAL PRODUCTS will only be transferred to our COMPANY upon payment of the respective REMUNERATION, the SUPPLIER transfers ownership of the CONTRACTUAL PRODUCTS to our COMPANY upon their creation or purchase subject to the condition precedent of payment in full.
- 20.1.3 If the SUPPLIER holds the CONTRACTUAL PRODUCT in custody for our COMPANY following its creation or purchase, the SUPPLIER shall store such object separately and label it clearly as the property of our COMPANY. The SUPPLIER shall be required to use the object solely for the purpose of rendering additional CONTRACTUAL PERFORMANCE to our COMPANY. Other use shall be disallowed.
- 20.1.4 The SUPPLIER shall not be entitled to reserve ownership of CONTRACTUAL PERFORMANCE without the express consent of our COMPANY. Our COMPANY may only deny consent for good reason.
- 20.1.5 The SUPPLIER shall promptly inform our Company, if a reservation of ownership exists on the part of its sub-suppliers or SUBCONTRACTORS with respect to CONTRACTUAL PERFORMANCE or portions thereof.

20.2 Transfer of risk

- 20.2.1 The SUPPLIER shall bear the risk of accidental destruction of the CONTRACTUAL PERFORMANCE until it is rendered.
- 20.2.2 If the CONTRACTUAL PRODUCT is destroyed within one (1) year after it is delivered or acceptance for reasons for which our COMPANY is not responsible, the SUPPLIER shall be obligated to render the CONTRACTUAL PERFORMANCE again promptly and on a priority basis pursuant to our COMPANY'S purchase order. The provisions of the CONTRACT (including the REMUNERATION) shall be applicable *mutatis mutandis* to the purchase order. The REMUNERATION shall be reduced appropriately, if the SUPPLIER saves costs as a result of the earlier creation or purchase of the CONTRACTUAL PRODUCT.

21. INDUSTRIAL AND INTELLECTUAL PROPERTY RIGHTS

21.1 Background

- 21.1.1 Each CONTRACTING PARTY shall remain the owner of its BACKGROUND. Use of the BACKGROUND of the other CONTRACTING PARTY shall, unless otherwise regulated in Section 21.1.2, only be permissible with the prior written consent of that CONTRACTING PARTY.
- 21.1.2 The SUPPLIER shall grant our COMPANY a worldwide irrevocable RIGHT OF USE to BACKGROUND, if the BACKGROUND or KNOW-HOW of the SUPPLIER is necessary for the use and further development of the RESULTS. If the SUPPLIER cannot grant the RIGHT OF USE to the BACKGROUND or cannot do so without the assistance of a third party, the SUPPLIER shall reach an agreement with such third party on a RIGHT OF USE in favor of our COMPANY.
- 21.1.3 Unless otherwise regulated, the grant of the RIGHTS OF USE to the BACKGROUND shall be deemed to be compensated by the payment of the REMUNERATION.

21.2 Results

- 21.2.1 All RESULTS shall belong to our COMPANY. Use of the RESULTS by the SUPPLIER or third parties shall only be permissible with the prior written consent of our COMPANY.

- 21.2.2 If necessary and legally permissible, the SUPPLIER shall be required to transfer all ownership rights or other possessory rights to the RESULTS, including the RIGHTS OF USE to the RESULTS, to our COMPANY or, if a transfer is not legally permissible, grant our COMPANY an irrevocable RIGHT OF USE. The SUPPLIER shall undertake the transfer of the RIGHTS OF USE incrementally as the RESULTS come into existence.
- 21.2.3 If the remuneration for the transfer in accordance with Section 21.2.2 is not already included in the REMUNERATION, the SUPPLIER can demand that the transfer take place concurrently with the remittance of the agreed upon remuneration or – if remuneration has not yet been agreed upon – reasonable and fair remuneration that is to be agreed upon.
- 21.3 Proprietary rights of third parties**
- 21.3.1 The SUPPLIER has to properly check and ensure that it is not using any PROPRIETARY RIGHTS of third parties (including the SUBCONTRACTORS) within the framework of the performance of the CONTRACT. If the SUPPLIER would like to use PROPRIETARY RIGHTS of third parties, this shall require the prior written consent of our COMPANY.
- 21.3.2 If the SUPPLIER uses PROPRIETARY RIGHTS of third parties, it shall be required to reach an agreement with the holder of the PROPRIETARY RIGHTS on appropriate RIGHTS OF USE in favor of our COMPANY, along with the right of sublicensing to the CUSTOMER. The SUPPLIER shall be required to bear any royalty payments or other remuneration that is incurred for the use of such PROPRIETARY RIGHTS of third parties. If the SUPPLIER is not responsible for the use of the PROPRIETARY RIGHTS of third parties, the CONTRACTING PARTIES shall jointly conclude an agreement with respect to the bearing of costs.
- 21.3.3 If judicial or extrajudicial claims are asserted against FAURECIA in any manner by a third party on the grounds of infringement of PROPRIETARY RIGHTS as a result of use of the RESULTS, the SUPPLIER shall be required to reimburse the company against which the claims are asserted. In particular, the SUPPLIER shall be required to reimburse the reasonable documented costs of legal defense, remuneration, royalties, or compensatory claims of the third party. At the request of the company against which claims have been asserted, the SUPPLIER shall be required to assist such company at its own expense with the extrajudicial and judicial defense of the third party's claim. The SUPPLIER shall be required to coordinate substantial decisions with the company against which claims have been asserted. In particular, the SUPPLIER shall only submit legally relevant declarations (conclusion of settlement agreements, withdrawal of complaints, acknowledgment of claim, etc.) with the prior written consent of the company against which claims have been asserted. The SUPPLIER alone shall be required to bear any settlement payments that are made.

22. CONFIDENTIALITY

- 22.1 The CONTRACTING PARTIES promise to treat in a confidential manner all non-obvious commercial and technical details of which they become aware as a result of the business relationship.
- 22.2 Drawings, models, templates, samples, and similar objects may not be provided or made available to unauthorized third parties. The reproduction of such objects shall only be permissible within the framework of operational needs and provisions of copyright law.
- 22.3 Sub-suppliers and SUBCONTRACTORS must be subjected to corresponding obligations.
- 22.4 If the CONTRACTING PARTIES have concluded a separate confidentiality agreement, the provisions of the confidentiality agreement shall have priority over this Section 22.

23. SAMPLES, PROTOTYPES, TOOLING

- 23.1 The SUPPLIER shall transfer ownership of ordered samples, prototypes, and tooling that the SUPPLIER manufactures or causes to be manufactured within the framework of the CONTRACT to our COMPANY, which accepts said transfer of ownership. The time of transfer of ownership shall be determined in accordance with Section 20.1.1.
- 23.2 If our COMPANY makes samples, prototypes, or tooling available to the SUPPLIER by way of loan for the purpose of performance of the CONTRACT, the CONTRACTING PARTIES shall conclude a corresponding loan contract prior to the use of such samples, prototypes, or tools by the SUPPLIER. The statutory provisions shall apply, if the CONTRACTING PARTIES do not conclude a separate loan contract.

24. TERMINATION

24.1 Ordinary termination

- 24.1.1 Our COMPANY shall be entitled to terminate this CONTRACT in writing at any time without a statement of grounds with a termination notice period of at least three (3) months.
- 24.1.2 The SUPPLIER shall be entitled to terminate unlimited-term FRAMEWORK CONTRACTS in writing at any time without a statement of grounds with a termination notice period of at least six (6) months to the end of the year. In the case of serial delivery, this right of termination shall be barred, if the time span between the end of the CONTRACT and the expected end of serial delivery (EOP) is less than two (2) years. The duty to provide substitute delivery of replacement parts shall not be reflected in the calculation of the time span.

24.2 Termination in the event of breach of contract

If the SUPPLIER culpably breaches material provisions of the CONTRACT, our COMPANY shall be entitled to terminate the CONTRACT in writing with a termination notice period of at least fifteen (15) calendar days. If reasonable, our COMPANY will ask the SUPPLIER in writing to cease and desist from the breach of duty and remedy the substantial consequences thereof within a reasonable period of time and shall not terminate the CONTRACT until after the expiration of said period of time.

24.3 Termination for good cause

The CONTRACTING PARTIES shall be entitled to terminate the CONTRACT in writing for good cause at any time. If our COMPANY is not responsible for the good cause, the SUPPLIER shall only be entitled to terminate the CONTRACT with a reasonable notice period.

24.4 Termination in the event of "Change of Control"

Our COMPANY shall be entitled to terminate the CONTRACT with a reasonable notice period, if a third party directly or indirectly assumes control of the SUPPLIER. "Control" within the meaning of this Section 24.4 shall be present if the third party directly or indirectly obtains at least fifty (50) of the shares or voting rights at the SUPPLIER's shareholders' meeting.

25. CONSEQUENCES OF THE ENDING OF THE CONTRACT

25.1 Provisions of the CONTRACT that, by their nature, extend beyond the end of the CONTRACT shall remain valid after the end of the CONTRACT. This shall apply regardless the reason for which the CONTRACT comes to an end.

25.2 Independently of the reason for which the CONTRACT comes to an end, our COMPANY shall not be liable for lost profit or unamortized investments that the SUPPLIER, its sub-suppliers, or its SUBCONTRACTORS have made in view of the rendering of the CONTRACTUAL PERFORMANCE.

26. FORCE MAJEURE

26.1 The statutory provisions shall apply in the event of force majeure.

26.2 The SUPPLIER shall be required to promptly inform our COMPANY of the existence of force majeure and take the necessary measures in order to keep the negative effects for our COMPANY to a minimum. The SUPPLIER shall be liable for violations of this Section 26.2.

27. PLACE OF JURISDICTION – APPLICABLE LAW

27.1 The CONTRACTING PARTIES shall endeavor to amicably resolve differences of opinion with respect to the interpretation or performance of the CONTRACT prior to bringing a complaint or initiating an arbitration proceeding.

27.2 The exclusive place of jurisdiction shall be Frankfurt am Main, Germany.

27.3 If the SUPPLIER or the SUPPLIER'S respective supply plant that is rendering CONTRACTUAL PERFORMANCE has its domicile in the People's Republic of China, India, Brazil, or Russia, all disputes that arise in connection with the CONTRACT shall, by way of deviation from Section 27.2, be finally decided in accordance with the rules of arbitration of the *Deutsche Institution für Schiedsgerichtsbarkeit e.V.* [German Institute for Arbitration Jurisdiction] (DIS) to the exclusion of the regular civil courts. The place of the arbitration proceeding shall be Frankfurt am Main, Germany. The number of arbitrators shall be three. The language of the arbitration proceeding shall be English. German substantive law shall be applicable. It is agreed that the arbitration proceeding is to be conducted in accordance with the IBA rules on taking of evidence in the version in effect at the time of the initiation of the arbitration proceeding.

Part I of the Indian Arbitration and Conciliation Act, 1996 (no. 26/1996) or any similar or succeeding act shall not be applicable.

27.4 German law shall apply, excluding the provisions on conflicts of law. The provisions of the United Nations Convention on the International Sale of Goods shall not apply.

28. GENERAL PROVISIONS

28.1 Subcontractors

The SUPPLIER shall only be permitted to use SUBCONTRACTORS to render CONTRACTUAL PERFORMANCE or portions thereof with the prior written consent of our COMPANY. The SUPPLIER shall be required to contractually and organizationally ensure that the SUBCONTRACTORS are properly trained and comply with the provisions of the CONTRACT (particularly the non-disclosure obligation).

Consent by our COMPANY shall not limit the liability of the SUPPLIER. The SUPPLIER shall be liable on an unrestricted basis for the acts and omissions of the SUBCONTRACTOR.

28.2 Assignment of claims

The SUPPLIER shall not be entitled to assign claims arising from this CONTRACT to third parties without the prior written consent of our COMPANY. Our COMPANY may not unfairly deny consent. If an extended reservation of title of a supplier of the SUPPLIER is present, consent shall be deemed to be given following separate written notice (a notice on the delivery note or on an invoice shall not suffice). If the SUPPLIER assigns its claims against our COMPANY without the necessary consent, our COMPANY can, at its discretion, render performance to the SUPPLIER or the relevant third party with obligation-discharging effect.

28.3 Offset and retention

The SUPPLIER shall only be entitled to offsetting any claims against our COMPANY, if such claims have been acknowledged by our COMPANY or judicially established. This shall apply *mutatis mutandis* to rights of retention of the SUPPLIER.

28.4 Interpretation of the contract

If not explicitly agreed differently, the CONTRACT is not to be interpreted to the effect that

- the CONTRACTING PARTIES are entering into a partnership relationship. In particular, it is not intended that the CONTRACT establish a *Gesellschaft bürgerlichen Rechts* [civil partnership], joint venture, or work group.
- joint and several debt or joint liability is established between our COMPANY and the SUPPLIER or its AFFILIATED COMPANIES.
- one CONTRACTING PARTY is acting in the name of the other CONTRACTING PARTY as its representative or authorized agent and/ or is able to bind the other CONTRACTING PARTY to obligations.
- the SUPPLIER has the exclusive right to render CONTRACTUAL PERFORMANCE for our COMPANY.

28.5 Transfer of the CONTRACT

Our COMPANY shall be entitled to assign the CONTRACT in whole or in part to its AFFILIATED COMPANIES or to third parties that acquire the relevant portion of our COMPANY or of its AFFILIATED COMPANIES. The SUPPLIER shall be entitled to terminate the CONTRACT promptly within a reasonable period after the transfer thereof, if the SUPPLIER proves facts, on the basis of which it appears highly probable that the third party cannot fulfill the contractual duties of the CONTRACT on a sustained basis.

28.6 Severability clause

If a provision of the CONTRACT is or becomes invalid or unenforceable for any reason, this shall not affect the validity of the rest of the CONTRACT. The CONTRACTING PARTIES shall replace the invalid provision with a provision that comes as close as possible to the economic intent of the CONTRACTING PARTNERS. This shall apply *mutatis mutandis* to contractual gaps and omissions.

28.7 Dates, Working Days and Measures

Unless otherwise regulated,

- all dates shall be subject to the Gregorian calendar.
- working days shall be all week days with the exception of Saturdays, Sundays and public holidays at the registered seat of our Company.
- for all physical quantities the International Systems of Units (SI) of the International Bureau of Weights and Measures shall apply.

28.8 No waiver

The fact that one of the CONTRACTING PARTIES does not use a right arising from this CONTRACT or by statute at any point in time or demand the use of such right by the other CONTRACTING PARTY shall not constitute waiver of the use of such right. The CONTRACTING PARTY shall be entitled to continue to assert such rights.

28.9 Proof of origin

The SUPPLIER has to provide by January 15th his long-term-supplier's declaration for CONTRACTUAL PRODUCTS having preferential origin as per Council Regulation (EC) No. 1207/2001 and the applicable addenda to our COMPANY on an unsolicited basis by not later than January 15 of each year. The declaration must be valid for the respective calendar year (i.e., from January 01 – December 31 of the year). If there are any changes, the SUPPLIER shall promptly notify our COMPANY and send a new long-term supplier declaration on an unsolicited basis.