

General Terms and Conditions of Purchase of the Slovak Companies of the MAHLE Group

I. Basic provisions

1. The following General Terms and Conditions of Purchase (hereinafter referred to as "GTC") shall govern the legal purchasing relations between all the Slovakian Companies of the MAHLE Group (hereinafter referred to as "MAHLE") and every natural person or legal entity who is a seller of goods to MAHLE (hereinafter referred to as the "Seller").

2. The legal relations between MAHLE and the Seller are regulated by the GTC and INCOTERMS 2000. In the event that MAHLE and the Seller enter into a written contract of purchase in which they agree conditions other than those included in the GTC, the provisions agreed on in the contract shall take precedence over the GTC.

3. The legal relations between MAHLE and the Seller (including rights and duties of the contractual parties), claims resulting from their relations, as well as the interpretation thereof, shall, as a whole, be regulated by the law of the Slovak Republic exclusively; the rules governing conflict of laws shall, however, not apply.

4. The GTC comply with the law of the Slovak Republic. Should any provisions of the GTC be or become totally or partially invalid or unenforceable, the validity of the other provisions shall not be affected and the contractual relations shall be regulated by the Commercial Code as amended by the International Private and Procedural Law Act and by the Contract for the International Carriage of Goods by Road (CMR).

II. Ordering Goods

1. MAHLE shall send its order to the Seller in writing or electronically. The order shall be binding upon the Seller only if placed by a person authorized by MAHLE to place the order concerned and if it is expressed in the written form specified by MAHLE. MAHLE shall determine the form and content of the written order form.

2. In urgent cases, MAHLE shall place the order with the Seller by phone; such order shall, however, be confirmed afterwards in writing.

3. The order must, in particular, contain the following information concerning the Seller: business name, registered office, identification number, TAX identification number, VAT identification number, commercial register information. The order shall also specify the amount of goods required, means of payment, the terms and the place of delivery, date of issuance, and the name, surname, stamp, signature and the function of a person who is entitled to place the order concerned.

4. The order shall include the purchase price of goods according to the current price list of the Seller at the time the goods are ordered, unless MAHLE has agreed another purchase price with the Seller.

5. The order may also include additional information specifying terms, particularly of delivery and the technical specifications of goods.

6. The order shall become binding upon both parties after it is confirmed by the Seller. The Seller shall undertake to confirm the order or to forward any comments within (10) ten working days from receipt/announcement of the order. MAHLE shall be entitled to cancel the order if it is not confirmed.

7. The Seller shall take into account and agree that MAHLE's requirements may vary according to the requirements of the final customer, and for that reason MAHLE reserves the right to vary and to cancel the order. In this case, Paragraph II, Item 6 of the GTC shall not apply.

III. The Condition of the Goods

1. The Seller shall only deliver goods that meet the requirements of MAHLE. The Seller shall undertake to check the quality of the products continually and to provide certification for the goods as well as certification for the processes for manufacturing the products as determined by MAHLE. The Seller shall keep all required data until the time determined by MAHLE and also as required by the generally applicable legislation. In the case of any inability to comply with the specified requirements or in the case of the delivery of defective goods, the Seller shall undertake to provide compensation for all direct and indirect damages that have arisen/may arise as a result (hereinafter referred to as "Damages").

2. MAHLE shall be entitled in accordance with the GTC to require that the Seller should furnish the above-mentioned certifications and data/records at any time. The Seller agrees that MAHLE has the right and shall allow MAHLE access to the Seller's registered office/place of manufacture in order to carry out an audit of goods and to audit the production process, production and control facilities. MAHLE shall be entitled to inspect the production and control documents and any other documents and to check that all requirements determined by MAHLE are being carried out. If the Seller fails to comply with the terms of this Paragraph and does not submit certifications/documents or does not hold them, or the certification or documents are not relevant, the Seller shall pay any Damages incurred or that shall be incurred by MAHLE.

3. The Seller shall allow MAHLE to carry out an audit at the premises of its sub-suppliers to the extent specified in Paragraph III, Item 2.

4. The Seller shall undertake to guarantee that its products shall be fit for the intended purpose and fulfill all requirements established by the laws of the Slovak Republic, including with respect to the environment.

5. If customers of MAHLE – usually automobile manufacturers – apply a reference market procedure or a similar procedure that is usual in the automobile industry for determining and settling warranty claims and assert claims against MAHLE for defects in products manufactured by MAHLE that result from defects in the Seller's Products, the Seller guarantees and accepts that this procedure shall also be applied to the delivery relations between the Seller and MAHLE.

6. The Seller shall undertake to enter all necessary information in the IMDS database ("International Material Data System"; www.mdssystem.com)

7. The Seller shall undertake to abide by the EU Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (Regulation (EC) No. 1907/2006 of 18.12.2006, hereinafter referred to as "REACH"). The Seller shall especially carry out all registrations on time. MAHLE shall not be obliged to carry out any registration. The Seller acknowledges that the goods cannot be accepted nor used if the requirements of REACH are not completely or properly complied with.

8. MAHLE is empowered by these "GTC" to make unlimited use of the goods.

9. The Seller is contractually obliged to produce goods in accordance with the valid national and international regulations and statutes, safety regulations and regulations governing the protection of the environment and health and to comply with all applicable technical regulations. The rules and regulations of the Slovak Republic concerning the supply and construction of goods shall be observed as a matter of exigency. Within the economical options the Seller shall attend to the ecological aspects of carrying out the contract, including the selection of ecological materials and ecological constructions as well as economic solutions with regard to energy and the saving of raw materials. The Seller shall label recycling material accordingly. The use of forbidden materials and technological procedures is prohibited.

10. MAHLE shall be entitled to use, transfer, copy and duplicate any materials or documents related to the goods.

IV. Delivery Systems

1. The Seller shall deliver the goods to the place and at the time determined in the order. Unless otherwise agreed, the Seller shall bear all expenses incurred in connection with the delivery of the goods.

2. The Seller undertakes to inform MAHLE immediately of any obstacle preventing delivery of the ordered goods at the determined time and place and to take all measures to eliminate the obstacle as soon as possible.

3. Upon delivery of goods, the Seller shall undertake to submit to MAHLE the delivery note which must include the minimum data as stated in the order in accordance with Paragraph II, Item 3 of the "GTC", as well as certificates indicating compliance with the requirements of MAHLE and the valid legislation.

4. MAHLE reserves the right to change the place of delivery or the time of delivery of the goods in the accepted order in writing or electronically.

5. In the case of force majeure the liability of the contractual party for failure to comply with the obligations arising from their business relation or any additional extra-contractual obligation determined in the Commercial Code is excluded. Any events that cannot be foreseen by the Seller and that might have an impact on the execution and delivery of goods are deemed to be force majeure. Force majeure shall include in particular: natural disaster, extreme weather conditions, fire, war and warlike operations, national uprisings, strikes, embargo, the prohibition of exportation and importation. Any strike on the part of the Seller side is not deemed force majeure. If "force majeure" in the sense of this Item renders it temporarily impossible to perform the contractual obligations, the obligation continues to exist, unless otherwise agreed by the parties to the contract. If the Seller is unable to deliver goods to the place and at the time agreed in the order for reasons of "force majeure", the delivery time shall be extended accordingly by the period of delay caused by the force majeure. The Seller shall undertake to inform MAHLE of these facts and shall notify MAHLE at least of the approximate possible time of delivery of the goods.

6. In the event that the delivery of goods is not possible for reasons for which the Seller is responsible, MAHLE has the right to withdraw from the contractual relation and the right to compensation for Damages.

7. The Seller shall undertake to transfer goods to the agreed place at the Seller's expense. The Seller shall undertake to deliver and to forward to MAHLE immediately all the documents necessary for loading the goods or relating to the goods. The goods shall be packaged and protected against any external influences that could have an impact on the quality and attributes of the goods, unless otherwise agreed by the parties to the contract. The Seller shall undertake to forward goods in packaging that fulfills the conditions for the safe transport and protection of the goods. The Seller shall undertake to use recycled material and to mark it appropriately.

8. Upon receipt of the goods, MAHLE shall carry out only a visual inspection (the number, the state of the packaging, the state of transport) such as is possible in the ordinary course of business. MAHLE shall notify the Seller of all defects determined at a later time in due time. MAHLE is not obliged to accept defective goods or goods that do not comply with all the requirements.

9. If the Seller does not deliver goods at the specified time and to the specified place, MAHLE shall be entitled to claim a contractual penalty amounting to 0.5 % of the purchase price of the undelivered goods for every day of delay. If despite a written warning from MAHLE the Seller is still in arrears with the delivery of the goods and an appropriate period of time granted in writing for delivery of the goods has lapsed, MAHLE shall have the right to withdraw from the agreement and the right to claim compensation for Damages.

V. Purchase Price and Terms of Payment

1. The purchase price shall always be agreed in writing by the persons authorized to do so by the parties to the contract.

2. When determining the price of goods (purchase price) the Seller shall act such that the most favorable terms are offered to MAHLE and the Seller shall improve these terms constantly. If during the legal relationship the Seller offers the goods in comparable quantities to a third party under more favorable conditions, in particular with regard to price, technology, then the supplier shall also grant MAHLE these more favorable prices. The new conditions shall apply retrospectively from the time at which the supplier has granted these more favorable conditions to the third party.

3. The agreed purchase price shall be stated in the order and every change to this price must be stated in writing. Unless otherwise agreed by the parties, the purchase price stated in the order shall include the costs of packaging, insurance, importation and transport to the address or place of use as determined by MAHLE.

4. The invoiced purchase price shall be payable within (30) thirty days from the end of the month following that in which the invoice was delivered to MAHLE.

5. Should the goods be defective, MAHLE shall not be obliged to pay their price until the defects are rectified.

6. The invoice must contain the data required by the legislation applicable at the seat of the invoicing party and also of the invoice recipient. The issued invoice must contain the data for the order concerned.

7. The purchase price of the goods is payable in principle in Slovak crowns. However, in accordance with the GTC, contracts entered into by the Seller and by MAHLE and the applicable legislation, MAHLE may also pay the Seller the purchase price in foreign currency.

VI. Reservation of Title, Risk of Damage

1. The goods shall become the property of MAHLE upon the delivery of the goods by the Seller and upon the full payment of the purchase price by MAHLE.

2. All risk of Damage to the goods shall pass to MAHLE upon delivery of the goods to MAHLE by the Seller. Should the delivered goods, however, be defective, the risk of Damage shall remain with the Seller.

VII. Liability for Defects, Warranty, Warranty Claim

1. The Seller shall undertake to deliver the ordered goods to MAHLE in the agreed amount and quality (in compliance with the written order) and shall be liable for defective goods. Goods shall also be deemed defective if they are not delivered in the agreed amount, time, place, quality, specification and packaging, or if they have material, manufacturing and construction defects, are delivered without the relevant documents or do not meet the specifications set out in the order. Should defective goods be delivered, MAHLE shall be entitled to claim Damages.

2. Liability for defects of goods, quality guarantees, rights and duties arising out of them shall be regulated by the applicable Slovak legislation and these GTC. The Seller shall be liable for defects of goods if such defects were present at the time of the passage of the risk of Damage to MAHLE.

3. Unless otherwise agreed, the warranty period for delivered goods shall be (2) two years from the date when the final user receives the goods. In case of non-production goods the warranty period shall be two (2) years from the delivery date. The Seller shall be liable for defects of goods that occur during the warranty period. MAHLE may claim Damages arising from any defects of goods that occur within the warranty period.

4. The Seller shall bear the risk of liability for defects of its products and Damage caused by defective products to the customers of MAHLE and is obliged to indemnify MAHLE for all costs incurred by the removal of Damage caused to MAHLE's customers by using the defective products, including after the lapse of the warranty period agreed in Paragraph VII, Item 3 of these GTC.

5. MAHLE shall make a complaint of the defects of goods in the manner specified in this item:

5.1. Complaint of defects shall be made in writing or, in urgent cases, also in any other form; it must, however, be confirmed in writing as soon as possible. The Seller shall cooperate with MAHLE and provide every support in settling disputes connected with goods.

5.2. Written complaint of defects shall contain:

- the number of the order relating to the goods
- identification of the delivery under complaint (number and date of issuance of the

- invoice relating to the delivery under complaint, date and number of the bill of delivery) and other documents that are part of the delivery
- information on the amount of delivered goods under complaint
- statement of the exact address where the goods under complaint are located
- identification of MAHLE and the Seller
- description of the defects under complaint
- specification of the required measure for rectifying the defects.

6. The Seller must in the shortest possible time provide for replacement of the defective goods, investigation of the causes of the defect and for its removal. The Seller shall inform MAHLE about all measures taken. The new goods must fulfill the same requirements as the original goods. The same warranty period shall apply to the new goods as to the original goods.

7. In exceptional cases, when immediate protection of MAHLE's customer is necessary, MAHLE shall be entitled to remedy the defects itself without giving notice to the Seller; MAHLE shall, however, inform the latter of these facts as soon as possible. The Seller is obliged to pay to MAHLE costs arising out of this activity.

8. MAHLE shall fix a period and approve the measures for the removal of defects that have been proposed for approval by MAHLE.

9. The Seller shall undertake to provide the identical type of goods/spare parts to MAHLE for (15) fifteen years after the end of series production of the goods at a commercially relevant purchase price.

10. As soon as the Seller detects defects in delivered goods, the Seller shall inform MAHLE of such defects and take the necessary steps for their elimination.

11. A conformity declaration neither releases the Seller from liability for defective goods nor does it release the Seller from the liability for Damage caused by such goods.

VIII. Property Rights, Tools

1. The Seller is obliged to inform MAHLE immediately about all property rights, patents, utilities and industrial designs as well as licence contracts, utilities and industrial designs of third parties on the delivered goods. The Seller declares that it does not infringe any industrial rights or other rights connected with the goods. The Seller hereby grants MAHLE the use of all these rights.

2. Should the Seller produce or provide tooling for MAHLE, this shall become the property of MAHLE no later than upon full payment by MAHLE.

3. All solutions, procedures and tools, i.e. property of MAHLE, that MAHLE provides to the Seller and that

serve the production of goods must be used for no other purpose than for the production of goods for MAHLE.

4. The Seller shall provide MAHLE with all the necessary rights to file patents regarding all goods-related inventions and with all further know-how related to the goods. The Seller shall grant MAHLE a non-exclusive, non-remunerable, transferable, licence to its background rights and copyrights, unlimited in terms of time, scope and content, in as far as it shall be deemed necessary for utilizing the goods. The Seller shall undertake to inform MAHLE about the use of intellectual property rights.

5. The Seller shall use all tools, machinery, designs, drawings and patterns serving the production of goods only for MAHLE and shall inform MAHLE about their usage and condition. This includes production such as forming equipment, moulds, calibrations, models, patterns, instruments, drawings etc. that have been provided by MAHLE to the Seller. They must be returned to MAHLE upon request.

6. Means of production provided to the Seller by MAHLE or manufactured by the Seller according to plans provided to him by MAHLE, may not, without MAHLE's prior written permission, be copied, sold, given as collateral or by other means assigned to and used by third parties. The same applies to the goods/object of the delivery manufactured with these means of production. The Seller is obliged not to use the intellectual property rights of MAHLE on behalf of any third parties after the termination of their business relations without MAHLE's consent.

IX. Liability for Damages, Insurance

1. The Seller shall be liable for Damages if arising from the Seller's breach of duties. The Seller is obliged to compensate MAHLE in full for any Damages incurred. The Seller shall also be liable for all costs accrued due to any kind of recall and service campaign.

2. The Seller is obliged to maintain insurance covering liability for Damages caused by the delivery of defective goods. The Seller hereby undertakes to take out adequate insurance policies protecting against all risks connected with the object of the order, especially business and product liability and insurance of recall costs. The Seller shall submit the relevant insurance policies to MAHLE upon request.

X. Final Provisions

1. The Parties are obliged to treat the content of contracts as well as particular amendments and relevant orders agreed between MAHLE and the Seller as confidential. Any public statements in connection with the contract, disclosure of the text of this contract, its parts and amendments are prohibited unless prior consent is given in writing.

2. All potential disputes arising from particular business relations shall be solved by the Parties by mutual negotiation and subsequent agreement. If no agreement is reached, the courts of the Slovak Republic shall have exclusive jurisdiction to settle any disputes that do or may arise from their relations or in connection therewith, including claims for Damages. MAHLE reserves the right to opt for the seat of the Seller as the place of jurisdiction.

3. The Seller is obliged to inform MAHLE about the potential risk of financial insolvency.

4. The Seller hereby declares that he has been acquainted with the content of the GTC, has read the GTC and declares that the GTC is clear, comprehensible and not entered into under pressure or markedly onerous conditions, in proof of which he sets his hand below.

5. The Seller agrees that MAHLE may set off its receivables against any liabilities it owes the Seller.

6. This English language version of the General Terms and Conditions of Purchase of the Slovak companies of the MAHLE Group serves exclusively for the purposes of information and translation. In the event of any discrepancies between the terms of the Slovak and the English language version, the Slovak language version shall prevail in all cases. In the event of disagreement or litigation, the Slovak language version shall also be the decisive version for the interpretation of individual provisions of the General Terms and Conditions of Purchase of the Slovak Companies of the MAHLE Group.

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