

Conditions of Business (Export)

for ContiTech AG (individually hereinafter referred to as "Company") and its affiliated companies*

- 1. Invoicing shall be done at the prices, terms and conditions established by the Company on the date of dispatch. In the event of unforeseeable changes in the cost of raw materials, labour, energy and other items, the Company is entitled to adjust accordingly those prices previously quoted in offers, confirmations of orders or elsewhere. The Company is obliged to complete an order only after the Customer has been notified in writing that such order has been accepted.
- 2. Unless otherwise agreed, all goods supplied by the Company shall be transported at the risk of the Customer, regardless of which party bears the freight charges. All goods supplied by the Company shall be transported according to the relevant INCOTERM, established by the Company, as defined by the ICC from time to time, to the extent not in conflict with these Conditions of Business (Export), in which case the provisions hereof shall prevail.

In case the Customer is responsible for contracting the carrier or the shipping company the Company is entitled to approve such carrier or shipping company.

- **3.** The Company is not bound by any data or information given in its pricelists or other publications; all weights and measurements are subject to reasonable tolerances of up to 10% (ten percent), and any minor and deviations, reasonably acceptable to the Customer, in the colour of any article supplied must be accepted.
- **4.** Acts of force majeure or similar events such as breakdowns, fires, floods, shortages of labour, power or raw materials, strikes, lockouts, or governmental restrictions affecting the operation of the Company itself or of its suppliers or carriers, shall exonerate the Company from its obligations to supply or to provide the performance by the date quoted. In the case that specific intent or gross negligence are imputable to the Company's legal representatives or senior executives, the Company shall be liable according to the law. In no instance shall the Company be held responsible for any damage or inconvenience resulting, or purporting to result, from ordinary negligence, unless such damage is a foreseeable typical damage resulting from the violation of essential contractual obligations. Any legal right of rescission by the Customer shall remain unaffected, provided that the relevant qualifications are fulfilled.

In the event of orders with performance consisting of more than one delivery, the non-fulfilment, deficient or late fulfilment of one

delivery shall have no effect on other deliveries comprising the order.

5. All goods supplied are to be paid for in the currency established by the Company. Payments shall discharge debts only when made to a bank or other institution stipulated by the Company.

If a date or period for payment is fixed, the Customer shall be liable for the delay from the day following this date or period of payment. In all other cases the Customer shall be liable for the delay in payment 30 days following the legal date of payment and receipt of the Company's invoice. If the date of the receipt of the invoice is uncertain, the Customer shall be liable for the delay 30 days after the due date of delivery and receipt of the Company's goods. The Company shall be entitled to charge interest for the period of delay for which the Customer is liable for 8% (eight percent) per annum above the level of the prime lending rate of the "Deutsche Bundesbank" (the "Basiszinssatz") prevailing from time to time. The Company's right to assert a further claim for damages arising from default shall not be limited by this regulation. The Customer shall only be entitled to set off or withhold payments only if agreed to by the Company or if such counterclaim is undisputed or declared final and binding by a court without possibility for appeal. The Customer is entitled to other counterclaims, especially the defence of non-performance of the contract. Deductions that have not been expressly agreed upon shall not be recognized.

Payment shall be made by cheque or by electronic wire transfer to the Company's account on the invoice. Cash discounts, bonuses or other allowances shall be granted only when all financial obligations arising out of previous deliveries have been met, and/ or the invoiced sum has been paid in cash to the Company or has been credited to the Company's account by the due dates. The presentation of bills of exchange shall thus not entitle the Customer to cash discount. In the case of cashless payment, in particular by cheque, the date on which the sum is credited to the Company is decisive in all cases. The Customer shall bear the risk arising out of the form of payment.

Bills of exchange and cheques, whose acceptance can be agreed upon, shall be credited only upon due receipt of the full amount. The Company's claim expires only when the full due amount has been irrevocably received for the Company's free disposal. Costs and discount fees shall be debited to the Customer. The Company gives

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no guarantee for the correct presentation and for the protesting of bills. Any protests entered against promissory notes issued by the Customer or any delay in the repayment of such disputed bills of exchange issued by third parties shall entitle the Company to return all bills receivable; all the Company's claims shall then fall due immediately.

The Company reserves the right to revoke at any time any credit granted, even in the form of time granted for payment. The Company shall also be entitled to demand at any time adequate security to be determined by the Company. If such security is not provided at the request of the Company, the Company's claims shall fall due immediately.

The Company shall not pay interest on advance payments, payments on account or other credit balances.

6. The Company shall retain the legal title to and the copyright on estimates, drafts, drawings and other documents; such documents shall be made accessible to third parties only with the prior consent of the Company.

In the event of the Company having supplied objects in accordance with drawings, models, samples or other sources provided by the Customer, the latter shall guarantee that patent rights held by third parties are not infringed. If the Company is prohibited by third parties, with reference to patent rights, from manufacturing and supplying such objects in particular, the Company is entitled to suspend any further activity to this extent and to demand compensation or to be released from all claims by third parties arising from this.

The Customer shall be held liable under this section 6 where the infringement of third party patent rights becomes apparent within three years as from the date when the Customer was aware, or could not reasonably be unaware of the infringement.

The Company reserves the right to charge for prototype parts and for tools required for the production of such parts (moulds, mandrels, dies etc.). Tools required for series production are charged pro rata by the Company. All tools remain in all events the property of the Company.

7. The Company shall retain the title to goods supplied to the Customer until such time as all claims against the Customer, including conditional claims arising out of business with the Company, shall have been settled and the sum paid by bills of exchange and cheques accepted for this purpose shall have been credited to the Company for its free disposal. The foregoing shall apply to future claims, as well.

In the event of processing or conversion, combination or incorporation of the Company's goods with other goods not belonging to the Company, the Company shall acquire joint ownership of the new resultant product proportional to the ratio of the value of the Company's goods to that of the other goods used by the Customer at the time of processing or conversion, combination or incorporation. The new resultant product shall remain in the custody of the Customer, who, limited to this respect, shall act on the Company's behalf.

Claims on the part of the Customer arising out of the resale of such product shall be forthwith assigned to the Company to the extent of the selling price thereof, to serve as security for the Company for claims referred to in paragraph 1 of this section 7. If so requested by the Company, the Customer shall advise its debtors of the assignment and provide the Company with all relevant information.

During such time as the Company retains title to the goods supplied, the Customer shall be entitled to resell the goods or the products derived therefrom only in the normal course of business and to collect the assigned claims until this right of the Customer is withdrawn by the Company. Financial difficulties being encountered or a considerable deterioration in the financial circumstances of the Customer shall entitle the Company to suspend all deliveries immediately. At the same time the Company's authorisation to resell the property and to collect claims assigned to the Company shall expire. If the Customer fails to meet its obligations arising from the property reservation or otherwise defaults, the Company shall be entitled to reclaim its goods under property reservation from the Customer. Upon request of the Customer, the Company undertakes to release securities, at its own option, to the extent that the value of existing securities exceeds by a total of 10% (ten percent) that of the claims to be secured.

In the event of the retention of title not being valid in the above-stated form according to the legal provisions of the country to which goods are delivered, then upon request the Customer shall assist the Company in establishing a comparable security in an amount and in a form acceptable to the Company.

8. The Company shall be liable to the Customer for any lack of conformity with the particular contract regarding its goods and services with the following provisions:

As far as the Company is liable for any such lack of conformity, the Customer shall be entitled to have the goods brought into conformity free of charge by repair or replacement as the Company thinks fit. In the event of repairs or replacements proving a failure, the Customer shall be entitled to make an proportioned deduction from the payment due or to rescind the contract; claims for damages instead of performance shall not be affected thereby. For

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any further claims the Company shall be liable according to the law, in the event that specific intent or gross negligence is imputable to the Company's legal representatives or senior executives. In no instance shall the Company be held responsible for any damage or inconvenience resulting from ordinary negligence, unless such damage is a foreseeable typical damage from the violation of essential contractual obligations. Any legal right of recession by the Customer shall remain unaffected, provided that the relevant qualifications are fulfilled.

Statements made by the Company relating to the delivery and performance of the goods, and on the applications of the goods themselves(e.g. dimensions, weight, hardness, service values) represent only descriptions or designations and not guaranteed properties; they are to be regarded as only approximate and are subject to the variations customary in the industry, unless otherwise agreed. Deviations from samples or from previous deliveries shall be avoided as far as technically feasible. The Company reserves the right to make modifications that the Customer can reasonably be expected to accept, in particular if such modifications assist technical progress and insofar as the object in question is not substantially changed. The Company accepts no liability for defects arising from natural wear and tear or from damage due to inexpert handling by other than the Company's own employees, in particular due to warehousing, or if the defect becomes manifest when the goods are used in a way, other than that especially agreed in writing.

The Company shall not be liable for any lack of conformity with the particular contract with regard to goods supplied by the Company that are agreed as being not new.

The Company's deliveries and performances shall be subject to the Customer's statutory obligations relating to inspections and complaints and to the statutory limitation periods on liability claims. The Customer shall return rejected goods to the Company carriage paid at the Company's request; if the complaint proves in such case to be justified, the costs of the cheapest means of reshipment may be charged to the Company.

9. In accordance with long-standing custom in this branch of industry, no claims on the part of the Customer for damages of any kind whatsoever and under any title whatever, including claims arising out of a lack of conformity with the particular contract or tort, may be brought against the Company, its legal representatives, servants and employees, unless specific intent or gross negligence are imputable to its legal representatives or senior executives, in which case the Company shall be liable according to the law. In no instance may the Company be held responsible for any damages or loss resulting from ordinary negligence on the part of the Company, its legal representatives, servants and employees,

unless such damage is a foreseeable typical damage resulting from the infringement of essential contractual obligations. This liability provision shall also apply to advice given orally or in writing by the Company; the Customer shall in particular not be released from its obligation to check the suitability of goods for the intended application itself. The foregoing limitation of liability shall not apply to claims under the German Product Liability Act as well as to claims for loss of life, physical injury and personal injury.

10. The place of execution hereof and place of jurisdiction in respect of all claims arising out of commercial relations with the Company as well as the origin and effectiveness of such agreements or relations shall be Hanover, Germany. However, the Company reserves the right to have recourse to litigation at the domicile of the Customer. These Conditions of Business shall be governed by and construed in accordance with the laws of the Federal Republic of Germany, to the exclusion of the uniform law on Contracts of Sale (the United Nations' Convention on Contracts for the International Sale of Goods dated April 11, 1980). The invalidity of any provision herein contained shall not affect the validity of the remaining provisions. The foregoing conditions of business, on which all offers and agreements are based, shall be regarded as having been accepted by the Customer through his placing an order with the Company or by taking delivery of goods supplied. Conditions other than the foregoing are inapplicable even if the Company does not expressly lodge an objection to them. No such conditions will be applicable unless the Company gives its prior consent in writing in each instance.

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