

Uniform Terms and Conditions of Sale and Delivery for the „Industrial Filtration“ Division of MAHLE Filtersysteme GmbH

I. Definitions, Scope of Application

1. The following Uniform Terms and Conditions of Sale and Delivery (hereafter „Terms and Conditions“) shall apply exclusively to all business relations between the Customer and the profit center „Industrial Filtration“ of MAHLE Filtersysteme GmbH (hereafter referred to as „MAHLE“). The Terms and Conditions shall, however, only apply if the Customer is a business entity (§ 14 BGB), a legal person under public law or a special fund under public law. MAHLE shall not recognize any conflicting or differing Terms and Conditions of the Customer unless MAHLE has expressly approved their applicability in writing. The following Terms and Conditions shall also apply if MAHLE accepts the Customer's order and/or performs the delivery to the Customer without reservation while aware of Terms and Conditions of the Customer that conflict with or differ from MAHLE's Terms and Conditions.

2. Separately made individual agreements with the Customer (including subsidiary agreements, supplements and amendments) take precedence over these Terms and Conditions in every case. A written contract or MAHLE's written confirmation is decisive for the content of such agreements.

3. The current version of these Terms and Conditions shall also apply as a framework agreement for future contracts with the same Customer concerning the sale and/or delivery of movable properties without the need for MAHLE to refer to them again in each individual case.

II. Offers, Offer Documents, Order Confirmation

1. Offers from MAHLE are subject to change without notice and not binding.

2. The order for the goods placed by the Customer shall be deemed a binding offer to enter into a contract and may be accepted by MAHLE within 4 weeks.

3. A contract for delivery shall first be effected by way of a written order confirmation from MAHLE, at the latest, however, upon delivery. The furnishing of a confirmation by means of remote data transmission shall satisfy the requirement for the written form expressed in Sentence 1. If MAHLE can prove that it has sent a statement by fax or remote data transmission by presenting a dispatch report, it shall be assumed that the statement reached the Customer.

4. MAHLE reserves the property and ownership rights to prototypes, estimates of cost, drawings, calculations and other information of a material and immaterial nature, including in electronic form. The Customer shall require the express

written consent of MAHLE to forward such documents to third parties. This shall also apply to any other written documents identified as „confidential“.

III. Prices, Terms and Conditions of Payment

1. All prices of MAHLE are ex works / warehouse plus the valid statutory VAT on the date of invoicing; packaging shall be invoiced separately.

2. Provided that no other payment periods have been agreed, payments are to be made as follows: either within 30 days after the invoice date without deduction or payment within 14 days after the invoice date with a 2% discount.

Payment shall be made by way of a bank remittance or check. Payment shall be deemed in time when received by MAHLE.

3. In the event of delayed or deferred payment, MAHLE shall be entitled to charge interest according to bank practices, at least however interest amounting to 8% above the current base rate published by the Central Bank of Germany. MAHLE shall in addition be entitled to hold back all deliveries or services until payment is received in full.

4. The Customer may only set off claims with undisputed counterclaims recognized by MAHLE or recognized by declaratory judgment. The Customer shall only be authorized to exercise a right of retention in the event that its counterclaim is based on the same contractual relationship.

5. In the event that, after the conclusion of the contract, MAHLE becomes aware of circumstances that challenge the Customer's creditworthiness, or in the event of a substantial risk of its claim to payment due to the Customer's dwindling assets, or if the Customer falls into arrears over the payment of the purchase price for previous orders or call-offs, MAHLE may demand advance payment or security within a reasonable period and refuse performance until its demand or the counterclaim has been fulfilled.

In the event that the Customer refuses to perform as demanded or the period expires with no result, MAHLE shall be entitled to withdraw from the contract in whole or in part and to demand compensation in place of performance.

IV. Reservation of Title

1. MAHLE reserves the right to title to the delivery items until all payments arising from the business relationship with the Customer have been received.

2. MAHLE may insure the delivery item at the Customer's expense against theft, breakage, fire, water and other damages unless the Customer can prove that it has itself taken out such insurance.

3. In the event that the Customer acts in breach of contract, in particular in the event of non payment of the due purchase price, MAHLE shall be entitled to withdraw from the contract in accordance with the statutory regulations and/or demand that the goods be returned on the basis of the reservation of title and to resell them. Any demand for the return of goods shall not be deemed to include a simultaneous declaration of withdrawal; on the contrary, MAHLE shall be entitled to demand solely the return of the goods and reserve the right to withdraw from the contract. In the event that the Customer does not pay the due purchase price, MAHLE may only assert such rights if MAHLE has previously set the Customer a reasonable period for payment without result or if the setting of such a period is superfluous according to the statutory regulations.

4. An application to commence insolvency proceedings against the assets of the Customer shall entitle MAHLE to withdraw from the contract and to demand the immediate return of the delivery item.

5. The Customer shall be entitled to resell the delivery item within the ordinary course of business; however, the Customer now hereby assigns to MAHLE all claims accruing to the Customer from the resale in the amount of the purchase price agreed between MAHLE and the Customer (including VAT) regardless as to whether the delivery items are resold without processing or after being processed. The Customer is authorized to collect such claims after they have been assigned. This shall not affect MAHLE's authorization to collect the claims itself; however, MAHLE shall undertake not to collect such claims provided the Customer properly fulfills its payment obligations and does not fall into arrears. In the event, however, that this is not the case, MAHLE shall be entitled to demand that the Customer disclose the assigned claims and their debtors, provide all information required for collection, surrender the related documents and inform the debtors (third parties) of the assignment.

6. The Customer shall always process or remodel the goods on MAHLE's behalf. In the event that the delivery items are processed with other items not belonging to MAHLE, then MAHLE shall acquire joint title to the new item in proportion of the value of the delivery items to the other processed items at the time of processing.

7. In the event that the delivery items are mixed or joined with other items not belonging to MAHLE

to the extent that they cannot be separated from one another, then MAHLE shall acquire joint title to the new item in proportion of the value of the delivery items to the other mixed items. The Customer shall hold the joint title in safe custody for MAHLE.

8. The Customer may neither pledge the delivery items nor transfer title to such items by way of security. The Customer shall inform MAHLE immediately in the event of any pledging as well as any attachment or other third party dispositions and provide Mahle with all the information and documents necessary to safeguard its rights. Enforcement officers and third parties are to be referred to the title of MAHLE.

9. MAHLE shall undertake to release the securities to which it is entitled at the Customer's request in so far as the realizable value exceeds the claims to be secured by Mahle, in so far as they have not yet been satisfied, by more than 10%. MAHLE shall be responsible for selecting the securities that are to be released.

V. Deliveries, Delivery Period

1. Compliance with the agreed dates of delivery and performance (delivery period) assumes that all technical and commercial matters between the parties to the contract have been clarified and that payments or other obligations on the part of the Customer have been made or fulfilled in good time. If the latter is not the case, then the delivery time shall be extended by a reasonable period. This shall not apply in so far as MAHLE is responsible for the delay.

2. Compliance with the delivery period is subject to MAHLE's own deliveries being correct and received promptly. MAHLE shall inform the Customer as soon as possible of any prospective delays.

3. The delivery period shall be deemed complied with if by its expiry the delivery item has left the MAHLE factory or MAHLE has reported that it is ready for dispatch. In so far as there is to be an acceptance, then except in the case of a justified refusal to accept the goods, the acceptance date shall be decisive, or alternatively notification of the goods' readiness for acceptance.

4. In the event that dispatch and/or acceptance is delayed at the Customer's request, the goods shall be stored on MAHLE's premises at the Customer's risk. The Customer shall be charged for any costs arising from the delay, in particular the storage costs.

5. The delivery period shall be extended by the duration of the hindrance in the event of force majeure, labor disputes or other events outside MAHLE's sphere of influence. MAHLE shall inform the Customer as soon as possible of the beginning and end of such circumstances.

6. Partial deliveries shall be permissible providing they do not result in any disadvantages with regard to use.

VI. Delay in Delivery

1. The occurrence of a delay in delivery on MAHLE's part shall be determined according to the statutory regulations. In each case, however, a reminder is required from the purchaser. MAHLE shall be liable for a delay in delivery in accordance with Section X.2 of these Terms and Conditions, subject to the limitation that liability is, however, limited to compensation for the foreseeable, typically occurring damage.

2. Section XIV is to be taken into consideration when determining the amount of compensation.

VII. Dispatch, Transfer of Risk, Acceptance

1. Unless otherwise specified in the order confirmation, delivery „ex works / warehouse“ is agreed. Dispatch is at the Customer's risk and expense. This shall also apply to partial deliveries as well as returned goods. In so far as there is to be an acceptance, this shall be decisive for the transfer of risk. Acceptance must be carried out immediately on the acceptance date, or alternatively after MAHLE's notification concerning the goods' readiness for acceptance. The Customer may only refuse acceptance if a significant defect is present.

2. If the dispatch / acceptance is delayed or if neither is accomplished at all owing to circumstances that are not attributable to MAHLE, the risk shall transfer to the Customer from the day of notification of readiness for dispatch or acceptance. The same consequences shall arise if the Customer is in default in accepting delivery. MAHLE shall undertake to take out the insurance policies the Customer requires at the Customer's expense.

3. Transportation and other disposable packaging shall not be taken back.

4. In the event that the Customer is in default in accepting delivery, omits an act of cooperation, or if a delivery from MAHLE is delayed for other reasons for which the Customer is responsible, then MAHLE shall be entitled to demand compensation for any damages arising therefrom, including additional expenses (e.g. storage costs). MAHLE shall calculate a lump sum compensation for this amounting to 0.5 % of the net price (delivery value) per calendar week to a maximum total of 5 % of the delivery value, beginning with the delivery period or – in the absence of a delivery period – with the announcement that the goods are ready for dispatch. MAHLE shall not demand a lump sum in excess of the damages that might be expected in the normal course of events. Proof of greater damage and legal claims (in particular

compensation for additional expenses, reasonable compensation, termination) of MAHLE shall remain unaffected; the lump sum is, however, is to be credited against more extensive claims for money. The Customer is entitled to prove that MAHLE has incurred no damages at all or only significantly fewer damages than the above lump sum.

VIII. Property Rights

1. In cases where the delivery item is used in accordance with the contract, MAHLE shall be liable for claims arising from infringement of industrial property rights or copyrights of which at least one of the industrial property rights is published in MAHLE's native country. In this respect MAHLE shall procure at the Customer's expense the fundamental right for the Customer to make further use of the item or shall modify the delivery item in a manner acceptable to the Customer such that the infringement of property right no longer exists. If this is not possible under economically viable conditions or within a reasonable period, the Customer shall be entitled to withdraw from the contract. Under the stated preconditions, MAHLE shall also have a right to withdraw from the contract.

2. MAHLE shall furthermore indemnify the Customer against undisputed claims or claims of the owner of the industrial property rights concerned that are recognized by declaratory judgment.

3. Section VIII shall be conclusive with regard to the obligations of MAHLE - subject to Section X.2 - in the event of an infringement of property or copyright. Such obligations shall only exist if:

- the Customer informs MAHLE immediately of infringements of property rights or copyright that become known or are asserted,
- the Customer gives MAHLE reasonable assistance to counter asserted claims or enables MAHLE to carry out the modification measures in accordance with Item VIII.1. a),
- MAHLE retains the right to take any action to counter such claims, including the right to settle out of court,
- the defect of title is not based on an instruction, drawings or models or other descriptions or details of the same nature provided by the Customer and
- the infringement did not occur because the Customer altered the delivery item independently or used it in violation of the contract.

4. In so far as MAHLE is not liable in accordance with this section, the Customer shall indemnify MAHLE against all claims asserted by a third party.

IX. Claims Based on Defects

MAHLE shall grant a warranty for material defects in the delivery as follows. All further claims are excluded, subject to Section X. Special statutory provisions governing the final delivery of goods to a consumer (recourse against suppliers in accordance with §§ 478, 479 BGB [German Civil Code]) shall remain unaffected in all cases.

1. Any claims for defects asserted by the Customer presuppose that the Customer has fulfilled its statutory obligations pertaining to inspection and notification of defects (§§ 377, 381 HGB [German Commercial Code]). Should any defect be found upon inspection or later, MAHLE must be notified of this immediately. The notification shall be deemed immediate if effected within two weeks; the punctual dispatch of the notification is sufficient for compliance with the warranty conditions. Notification must be given in writing. Irrespective of the aforementioned obligations pertaining to inspection and notification of defects, the Customer shall give notice of obvious defects (including wrong delivery or short delivery) within two weeks from the time of delivery; the punctual dispatch of the notification of defects is sufficient for compliance with the warranty conditions. Notification must be given in writing. Should the Customer fail to provide the notifications of defect specified above, any liability on the part of MAHLE for a defect that has not been notified is excluded.

2. Solely the initial prototype, workshop drawing of MAHLE or the agreed requirement specifications sent to the Customer for review and testing shall be decisive for the design, dimensions, weight and suitability. MAHLE's liability for defects shall be based on the agreement made pertaining to the procurement of the goods. Within this framework MAHLE hereby warrants the faultlessness of material and workmanship in accordance with the relevant state of technology such that in the event of the item being unusable as a result of proven deviations from the initial prototype, MAHLE shall at its discretion make a subsequent delivery or carry out remedial work on the faulty item. Replaced items shall become the property of MAHLE.

3. In the event of any delivery of faulty goods, following agreement with MAHLE the Customer shall give MAHLE the necessary time and opportunity prior to the start of manufacture (processing or installation) for MAHLE to perform all remedial work and replacement deliveries that appear necessary to MAHLE. If the Customer does not fulfill this obligation, MAHLE shall be released from any liability for the resulting consequences. Only in urgent cases of endangerment of operational safety or to avert disproportionately extensive damages, and after prior notification from MAHLE, may the Customer rectify the defect itself or have it rectified by a third party and demand compensation from MAHLE for the necessary expenditure. The Customer's right to

rectify defects shall not exist if MAHLE would be entitled to refuse the relevant remedial work in accordance with the statutory regulations.

4. Of the immediate costs arising from the remedial work or replacement delivery – in so far as the complaint turns out to be justified – MAHLE shall bear the costs of the replacement item including its dispatch. In addition, MAHLE shall bear the costs of removal and installation as well as the costs of providing any necessary fitters and auxiliary staff that might be required, including travel expenses, in so far as this does not cause MAHLE a disproportionate burden.

5. If - taking into account the legal exceptions - MAHLE lets a reasonable term set by the Customer for remedial work or a replacement delivery on account of a material defect expire without result, the Customer may in this respect within the framework of the statutory regulations withdraw from the contract. If the defect is only insignificant, the Customer is solely entitled to a reduction in the contractual price. Any right to a reduction in the contractual price remains excluded in all other respects. In the event that the same goods are delivered repeatedly in a faulty condition, then following a written warning upon another faulty delivery the Customer shall also be entitled to withdraw from the contract for the scope of delivery that has not been fulfilled.

6. Further claims are determined in accordance with Section X.2 of these Terms and Conditions.

7. The Customer shall provide MAHLE immediately upon request and at MAHLE's expense with the parts that MAHLE is to replace.

8. Claims based on defects shall not arise if the defect is attributable to violation of operating, maintenance and installation instructions, unsuitable or improper use or storage, incorrect or negligent treatment and natural wear and tear as well as any interference with the delivery item on the part of the Customer or any third party, in particular improper remedial work carried out by the Customer or a third party as well as modifications made to the delivery item without the prior consent of MAHLE.

X. Liability

Unless another liability provision is arranged elsewhere in these Terms and Conditions, MAHLE shall only be obligated to compensate for damage incurred by the Customer directly or indirectly as a result of a faulty delivery, due to violation of official safety regulations or for any other legal basis attributable to MAHLE as follows:

1. If through MAHLE's fault as a result of omitted or faulty execution of recommendations and advice before or after the conclusion of the contract or through the violation of other secondary

contractual obligations – in particular instructions for operation and maintenance of the delivery item – the Customer cannot use the delivery item in accordance with the contract, then, any further claims of the Customer excluded, the regulations of Sections IX and X.2 shall apply accordingly.

2.

a) MAHLE shall only be liable - for whatever legal reasons - for damages other than to the delivery item itself if caused intentionally, in the event of gross negligence on the part of the proprietor/ executive bodies or managing personnel, in the event of negligent injury to life, limb and health, in the event of fraudulent concealment of defects or faults whose absence MAHLE has guaranteed, and in the event of defects in the delivery item, in so far as liability exists in accordance with the Product Liability Act for personal or material damage to privately used objects.

b) In the event of negligent infringement of important contractual obligations (an obligation whose fulfillment enables the proper execution of the contract in the first place and on compliance with which the party to the contract regularly relies and is entitled to rely) MAHLE shall also be liable in the event of gross negligence on the part of non-managerial staff and in the event of ordinary negligence, in the latter case limited to damages that may reasonably be foreseen as per standard contract provisions.

c) Any further claims are excluded.

3. In the event that recourse is not taken against the Customer owing to non-mandatory law based on liability towards third parties, MAHLE shall subrogate the Customer to the extent to which the Customer would also be directly liable. The principles of § 254 BGB [German Civil Code] shall apply accordingly to the compensation for damage between the Customer and MAHLE. This shall also apply in the event that direct recourse is taken against MAHLE. The obligation to provide compensation is excluded in so far as the Customer has for its part effectively limited the liability towards its customers. The Customer shall endeavor to agree liability limitations to the extent permissible by law also in favor of MAHLE.

4. In so far as is required by law, MAHLE shall be liable for actions taken by the Customer to prevent damage (e.g. recall operation).

5. The Customer shall inform and consult MAHLE immediately and comprehensively should the Customer intend to take recourse against MAHLE in accordance with the above regulations. The Customer shall give MAHLE the opportunity to inspect the case of damage. The parties to the contract shall agree on the measures to be taken, in particular with regard to settlement negotiations.

XI. Limitation of Action

1. All claims of the Customer – for whatever legal reasons - are subject to a limitation period of 12 months. The statutory regulations shall apply in the event of claims for compensation in accordance with Item X.2 a). Special statutory regulations regarding third party claims for return based upon a property right (§ 438 Par. 1 No. 1 BGB [German Civil Code]), construction works and construction materials (§ 438 Par. 1 No. 2 BGB), claims in recourse against suppliers (§ 479 BGB) as well as regarding claims for compensation in accordance with the Product Liability Act shall remain unaffected. The legal statute of limitations shall apply exclusively in such cases.

2. The following variation shall apply to the delivery of spare parts:
The legal period of limitation shall be deemed to have been agreed.

XII. Design, Tools

Analyses and tests carried out by the Customer shall be decisive for the faultless suitability of the design and material of the parts to be produced by MAHLE. All proposals, design drawings and other documents entrusted by MAHLE to the Customer shall remain the property of MAHLE and must not be made accessible to third parties without in writing approval. The Customer shall be liable for the legality of the use of the drawings, sketches, models etc. sent to MAHLE.

XIII. Cast Parts

1. All parts shall be manufactured in accordance with the tolerance lists of MAHLE that are the subject of the contract or manufactured with the precision permitted by current technology for injection molding, permanent mold casting or other casting processes on the date of the acceptance of the order. More exact tolerances and in particular machining of individual sections of the part requires prior approval for each dimension. The delivery of gauges and tools for machining the parts is not included in the estimate of cost.

2. If wear and tear on the mold makes full or partial replacement necessary, MAHLE shall replace it at the Customer's expense unless the Customer provides evidence that the wear and tear is based on improper use or treatment. The date of replacement shall depend on the composition of the delivered parts.

3. The Customer shall deliver cast-in inserts true to gauge size and ready to be cast and in a quantity at least 10% in excess of the quantity to be delivered. Any costs for reworking cast-in inserts shall be borne by the Customer. Any rejects that arise are to be replaced by the Customer in a subsequent delivery free of charge.

XIV. Miscellaneous

In determining the amount of the claims for compensation to be rendered by MAHLE, due consideration is to be taken in MAHLE's favor of MAHLE's economic circumstances, the nature, extent and duration of the business relationship, any contributions the Customer might have made to the cause and/or fault in accordance with § 254 BGB and any especially unfavorable installation situation of the delivered part. In particular, the amount of compensation, costs and expenses to be borne by MAHLE must be reasonably proportional to the value of the delivered part.

XV. Place of Performance, Place of Jurisdiction, Applicable Law, Severability Clause

1. Unless expressly agreed otherwise, the registered seat of MAHLE shall be the place of performance.

2. If the Customer is a merchant, legal person under public law or holder of special funds under public law, the place of jurisdiction shall be the court competent for the registered seat of MAHLE. MAHLE shall, however, be entitled to file an action at the Customer's general place of jurisdiction. The same shall also apply if the Customer does not have a general place of jurisdiction in Germany, has relocated its place of residence or customary place of abode to a location outside of Germany after concluding the contract, or if its place of residence or customary place of abode is unknown on the date of the action.

3. Exclusively German law shall apply, all international and supranational legal orders (contract procedures) excluded, in particular the United Nations Sales Convention of 11 April 1980 on Contracts for the International Sale of Goods (CISG – „Vienna Sales Law“). However, conditions and consequences of the reservation of title in accordance with Item IV are subject to the law of the country where the item is stored, in so far as this states that the choice of German legislation is inadmissible or ineffective.

4. In the event that a provision in these Terms and Conditions or part of a provision is or becomes ineffective, the remaining provisions or remaining part of the provision shall remain effective.

5. This English language version of the Uniform Terms and Conditions of Sale of MAHLE serves exclusively for the purposes of information and translation. In the event of any discrepancies between the terms of the German and the English language version, the German language version shall prevail in all cases. In the event of disagreement or litigation, the German language version shall also be the decisive version for the interpretation of individual provisions of these Uniform Terms and Conditions of Sale.

Stauts: June 2008