

## CONTINENTAL CONDITIONS OF SALE

### (1) CONDITIONS OF SALE.

A. "Seller" shall mean the actual Continental legal entity selling the Products hereunder and could be Continental Automotive Systems, Inc., Continental Tire the Americas, LLC, ContiTech North America, Inc., ContiTech Oil & Marine Corp., ContiTech Thermopol LLC, Legg Company, Inc., Continental Automotive Mexicana, S.A. de C.V., Continental Automotive Guadalajara México, S.A. de C.V., ContiTech Mexicana, S.A. de C.V., Continental Tire de México, S.A. de C.V., ContiTech Fluid Mexicana, S.A. de C.V., and/or Continental Tire Canada, Inc. The following are the conditions of sale for all Products sold by Seller. Any Seller quotation or order acknowledgment is an offer subject to and expressly conditioned upon Buyer's assent to these Conditions of Sale and any terms included on Seller's quotation or order acknowledgment, whether assent is in writing or by conduct. Acceptance of or payment for Products shall constitute such assent. Seller rejects all additional or different terms.

B. Unless Buyer is an authorized distributor of Seller, Buyer agrees to limit its distribution of the Products purchased under this Agreement to the incorporation of said Products into a value added product which Buyer shall market under Buyer's name for sale, lease or rent to third parties in the regular course of Buyer's business. Buyer is responsible for the selection of each Product(s), its ability to achieve the results intended with other products, software and/or peripherals of Buyer's design, assembly, manufacture or purchase, and for the system performance of Buyer's value added product. Buyer also acknowledges that any technical support for Buyer's value added product shall be entirely Buyer's responsibility.

### (2) PRICES, INVOICES AND PAYMENT.

A. Prices quoted are for the Product only, and do not include any amount for freight, insurance, fees, custom duties or Federal, State or Local excise, sales, use, service, occupation, gross income, property or similar taxes, all of which are the responsibility of Buyer. Shipping and handling charges shall be paid by Seller and invoiced separately to Buyer. Seller shall have the right to include taxes which may be applicable to the prices set forth herein in the event that Buyer does not supply to Seller, prior to sale, appropriate sales, use and Federal excise exemption certificates.

B. Seller reserves the right to change quoted prices and warranty if the quoted business assumptions change.

C. Payment shall be due as stated on the invoice, or in the absence of a stated due date, within thirty (30) days from the date of invoice, without regard to other deliveries.

D. Seller's offer is subject to Seller's current credit policies and practices. Seller reserves the right, in its sole discretion, to approve, disapprove, or change Buyer's credit limit or to impose credit terms, including without limitation the requirement that Buyer make full or partial advance payment. In the event of a complete or partial failure to pay, Seller may, at its option, revoke any credit extended to Buyer, suspend all subsequent shipments under open purchase orders until Buyer's account is current, or offset such amount against any payments due or that become due from Seller or its affiliates to Buyer including without limitation payment due Buyer.

E. Buyer grants to Seller a security interest and right of possession in the Products until Buyer makes full payment. Buyer will cooperate in whatever manner necessary to assist Seller in perfecting and recording such security interest.

### (3) DELIVERY.

A. All shipments are made Ex-works, Incoterms 2010, Seller's manufacturing location, freight collect. Title and risk of loss or damage to Products shall pass to Buyer at the place of delivery.

B. Delivery dates are best estimates only. Seller reserves the right to make deliveries in installments and the contract shall be severable as to such installments. Delivery delay or default of any installment shall not relieve Buyer of its obligation to accept and pay for remaining deliveries. The obligations of Seller and Buyer under this Agreement shall be temporarily suspended in the event of external delays beyond the obligated party's reasonable control, and any failure to perform by that party as a result of any such interference or interruption shall not be deemed default. Performance may be suspended for the period of any such delay. The party whose performance is suspended shall notify in writing the other party within fifteen (15) days of such suspension. In the event Seller is unable to wholly or partially perform because of any cause beyond its control, Seller may terminate any order without any liability to Buyer.

### (4) TERMINATION.

A. Either party may terminate this Agreement if the other party fails to cure a breach of this Agreement within thirty (30) days after written notification to the breaching party of such breach.

B. Either party may terminate this Agreement for convenience upon sixty (60) days prior written notice to the other party.

C. If Seller terminates this Agreement for default, or if Buyer terminates this Agreement for convenience, Buyer will pay to Seller a cancellation charge consisting of Seller's incurred costs, committed costs and a reasonable contract profit. Buyer may cancel an individual order by giving Seller notice of such cancellation, which notice must be received by Seller at least sixty (60) or more days prior to the scheduled shipping date of such order, otherwise Buyer will be responsible for a cancellation charge.

D. Nothing contained in this Agreement shall be deemed to create any express or implied obligation on either party to renew or extend this Agreement or to create any right to continue this Agreement on the same terms and conditions contained in it.

E. The terms and warranties contained in this Agreement that by their sense and context are intended to survive the performance thereof by either or both parties shall so survive the completion of performances and termination or expiration of this Agreement, including the making of any and all payments due under this Agreement.

### 5) WARRANTY.

A. Development Products: Prototypes and other development Products are sold "AS IS" and without any warranty, express or implied.

B. Production Products: Production Products sold hereunder are warranted by Seller to be free from defects in material and workmanship under normal use and operation and to conform to Seller's specifications applicable at the time of shipment or, if appropriate, to Buyer's specifications previously accepted by Seller in writing. This warranty is extended for a period of one (1) year from date of shipment to Buyer. If Products sold hereunder are not as warranted, Seller shall, at its option and as Buyer's exclusive remedy, either refund the purchase price, or repair or replace the Product, provided that Seller receives written notice of the defect during the period of warranty and the defective Product is returned with Seller's written authorization prepaid in protected shipping containers to Seller at a location designated by Seller. If Seller determines that the Product conforms to this warranty, the Product will be returned at Buyer's expense. Seller disclaims any and all liability for equipment not furnished by Seller, which is attached to, or used in conjunction with, the Product and Seller, disclaims all liability for operation of the system of which such Product is a part. Seller extends this warranty to Buyer only, and it is the complete warranty for Products manufactured by Seller. EXCEPT AS SPECIFICALLY SET FORTH HEREIN, ALL WARRANTIES EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE EXCLUDED. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR BREACH OF WARRANTY. This warranty shall not be enlarged and no obligation or liability shall arise out of Seller's rendering of technical advice and/or assistance.

### (6) LIMITATION OF LIABILITY.

A. No action shall be brought for any breach of this Agreement more than one (1) year after the accrual of such cause of action.

B. Seller's total liability arising out of or related to this Agreement whether for breach of contract, warranty, Seller's negligence, strict liability in tort or otherwise, is limited to the price of the particular Product sold hereunder with respect to which losses or damages are claimed. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES whatsoever arising out of, caused by or related in any way to the breach of any of its obligations under this Agreement, even if the party has been advised of the possibility of such damages. The parties expressly agree that the above limitation on damages is an allocation of risk constituting in part the consideration for this Agreement.

(7) PATENT AND COPYRIGHT INDEMNITY. Seller agrees to defend, at its expense, any suit against Buyer based upon a claim that any Product or software furnished by Seller to Buyer hereunder directly infringes any United States patent or copyright, and to pay costs and damages finally awarded in any such suit, provided that Seller is notified in writing within thirty (30) days of notice of such a suit or the receipt of a written claim by a third party within the foregoing indemnity and, at Seller's request and its expense, is given control of the suit including the choice of counsel and is provided all requested reasonable assistance for the defense of same. If the use or sale of the Product or software furnished hereunder is enjoined as a result of such suit, or if Seller in an effort to mitigate potential damages or expenses desires to curtail providing the Product or software, Seller, at its option and at no expense to Buyer, shall obtain for Buyer the right to use and sell them, or shall substitute an equivalent thereof acceptable to Buyer and extend this indemnity thereto, or shall accept their return from Buyer's inventory and reimburse Buyer the purchase price therefore less a reasonable charge for any wear and tear. This indemnity obligation of Seller does not extend to any suit based upon alleged infringement of any patent or copyright by the combination of any Product or software furnished by Seller with other elements added thereto by Buyer or third parties, or based on theories of inducement of infringement or contributory infringement, nor does it extend to any alleged infringement arising out of compliance with Buyer-furnished specifications, designs, or instructions or use of Buyer-furnished components. Buyer agrees that it will, upon request of Seller, defend at Buyer's expense any infringement suit against Seller arising out of either compliance with Buyer-furnished specifications, designs, or instructions, or use of Buyer-furnished components or software, and Buyer agrees to pay costs and damages finally awarded in any such suit, provided that Buyer is notified promptly of the suit and, at Buyer's request, is given control of such suit and all requested reasonable assistance for the defense of the same.

IN NO EVENT SHALL BUYER OR SELLER BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES FROM INFRINGEMENT OF PATENTS OR COPYRIGHTS.

**(8) LICENSES.**

A. The sale of the Products or software furnished hereunder does not convey any license by implication, estoppel or otherwise under any proprietary or patent rights of Seller covering combinations of these Products or software with other elements. Unless otherwise agreed to in writing, Seller retains title and all rights to inventions relating to the Product(s) covered by this Agreement. Except as specifically provided herein, this Agreement conveys no license to Buyer under any intellectual property rights of Seller.

B. The Products Buyer purchases from Seller may contain software in the form of firmware programs built into their circuitry or loaded into electronic memory. Buyer's purchase of that Product includes a non-exclusive license to use and sub-license the software only as part of the Product and only under the following conditions: (a) Seller (or its supplier) retains all title and ownership to copyright and other intellectual property interests in the software; (b) Buyer will only transfer possession of the software in conjunction with a transfer of Product; and © Buyer shall not remove any copyright notice or proprietary legend from the software, or use the software with any hardware except with the Seller hardware product for which it is designed.

C. Buyer acknowledges Seller's claim that Seller provided software (including any related documentation or source code), if any, and Products furnished hereunder contain valuable trade secrets of Seller and, therefore, agrees that it will not translate, reverse engineer, de-compile or disassemble or make any other unauthorized use of such Seller software and Products. Since unauthorized use of such Seller software and Products will greatly diminish the value of such trade secrets and cause irreparable harm to Seller, Buyer agrees that Seller, in addition to any other remedies it may have, shall be entitled to equitable relief to protect such trade secrets, including without limitation temporary and permanent injunctive relief without the proving of damage by Seller.

D. Buyer is not permitted to use any trademark or trade name owned by Seller, except that Buyer may indicate that the Products sold to Buyer per this Agreement are "manufactured by Continental Automotive Systems, Inc." or, as appropriate, any other Continental business entity. Any other use of a Seller owned trademark is not permitted, except with Seller's prior written approval.

E. Buyer shall take any and all measures necessary to ensure that any intellectual property embodied by, or associated with the Products is fully retained by Seller even to the extent provided to entities that are U.S. government agencies, U.S. government prime contractors or grantees, subcontractors, or vendors to the aforementioned (collectively "Government Buyers"). Seller grants no license or other authorization for Government Buyers or others to use, disclose, reproduce, reverse engineer, or alter the Products or any related intellectual property except to the extent specifically provided in these Conditions of Sale. Buyer agrees to treat and ensure that others treat any intellectual property of Seller as intellectual property developed at exclusive private expense, in a manner so as to ensure that all such intellectual property is fully retained by Seller without the provision of any title to or license in such intellectual property being provided to Government Buyers or third parties except to the extent provided for in these terms and conditions. Any firmware or software documentation provided by Seller consists of "commercial computer software" and "commercial computer software documentation," as such terms are used in 48 C.F.R. 12.212, and the Government's rights in the Firmware and Documentation will thus not exceed those set forth in these Conditions of Sale. This is in accordance with 48 C.F.R. 227.7201 through 227.7202-4 (if this Agreement is with a Department of Defense ("DOD") agency) and with 48 C.F.R. 2.101 and 12.212 (if this Agreement is not with a DOD agency).

F. The parties agree that in the event the Seller develops any proprietary information, intellectual property, work product, concepts, or ideas for inventions, copyrights, whether registered or not, improvements or valuable discoveries and ideas, whether patentable or not (collectively "intellectual property"), which are conceived, made, first reduced to practice, or generated by Seller in connection with the Products, solely or jointly with another, all rights and ownership in such intellectual property shall be with Seller.

(9) CONFIDENTIAL INFORMATION. To the extent that protection of information or materials to be transferred pursuant to this Agreement is covered by an existing confidentiality agreement, the existing agreement shall apply. Otherwise, the following terms shall apply: Seller may furnish to Buyer information and materials (Materials) identified as confidential or proprietary. Buyer may not disclose such Materials to any third party except to its employees who may require use of the Materials in the performance of their duties, and Buyer may use such Materials only as authorized by Seller. Buyer's obligations with respect to such Materials shall continue for five (5) years after receipt of the Materials.

(10) IMPORTATION AND EXPORTATION. Buyer shall comply with all applicable export control laws and shall not, directly or indirectly export, reexport, resell, ship, or divert any Product, Material, service, technical data, or software furnished hereunder to any person, entity, project, use, or country in violation of the laws or licensing requirements of the United States or any other appropriate national authority. Buyer shall indemnify and hold Seller harmless for any and all claims, demands, cost, fines, penalties, fees, expenses, or losses arising from Buyer's failure, intentional or unintentional, to comply with the foregoing paragraph.

Except to the extent and in a manner specifically agreed by Seller in advance in a signed writing executed by an authorized representative of Seller, Buyer shall in no event (a) provide to Seller any products, information, materials, software, data, or technology ("Materials") subject to restrictions on exportation or disclosure pursuant to U.S. export control laws, including but not limited to the Export Administration Regulations ("EAR"), the International Traffic in Arms Regulations ("ITAR"), or U.S. trade sanctions (such Materials being collectively referred to herein as "Export Controlled Materials"), or (b) require Seller to design, manufacture, modify, sell or otherwise take action with respect to Export Controlled Materials.

(11) COMPLIANCE. In the event that Buyer elects to sell Seller's Products or services to the U.S. Government or any state, local or non-U.S. Government entity, or to a prime contractor or other subcontractor selling to such entities, Buyer does so solely at its own option and risk. Except as indicated in the paragraph below, Buyer remains exclusively responsible for compliance with all contractual obligations and laws governing such sales and agrees not to obligate Seller as a subcontractor or otherwise to such entities. Further, Seller makes no representations, certifications or warranties whatsoever with respect to the ability of its goods, services, or prices to satisfy any such statutes, regulations, or contractual obligations. If Buyer is specifically required to "flow down" the following clauses to Seller under the terms of a U.S. federal government contract or subcontract, Buyer and Seller agree that any goods and services provided by Seller are "commercial items" as defined in Federal Acquisition Regulation ("FAR") section 2.101 and Seller will consider agreeing to the following FAR clauses listed in FAR clause 52.244-6 "Subcontracts for Commercial Items": 52.203-13, 52.219-8, 52.222-26, 52.222-35, 52.222-36, 52.222-40, 52.222-50, 52.247-60, and 52.247-64. Any such agreement by Seller must be in a signed writing executed in advance by an authorized representative of Seller.

**(12) GENERAL.**

A. Buyer agrees that these Conditions of Sale and any terms included on Seller's quotation or order acknowledgment are the exclusive statement of the terms and conditions of the agreement between the parties and that they supersede all proposals and other communications between the parties, oral or written, relating to the subject matter hereof.

B. No modifications hereto shall be effective unless they are agreed upon in writing by both parties.

C. Except as specifically provided in these Conditions of Sale, Buyer shall have no right to return Products to Seller.

D. The failure of either party to insist in any one or more instances upon the performance of any of the terms, covenants, or conditions in this Agreement or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition or the future exercise of any such right.

E. No right, interest or obligation in this Agreement may be assigned or delegated by either party without the written permission of the other party. This Agreement is binding upon and shall inure to the benefit of the parties and their respective successors.

F. If any provision of this Agreement is contrary to, prohibited by or held invalid by any law, rule, order or regulation of any government or by the final determination of any State or Federal court, such invalidity shall not affect the enforceability of any other provisions not held to be invalid.

G. Section and paragraph headings used in this Agreement are for convenience only and are not to be deemed or construed to be part of this Agreement.

H. This Agreement shall be governed and interpreted in accordance with the laws of the State of Michigan, without reference to principles of choice and conflicts of laws. The Parties agree that the sole and exclusive venue for all disputes, claims or causes of actions shall be within the geographic bounds of the U.S. District Court for the Eastern District of Michigan. In the particular case in which both Buyer and Seller are companies duly incorporated under Mexican Law, this agreement shall be considered as a contract made and to be performed at Mexico City, Federal District, Mexico, and all disputes and causes of action between the parties related thereto shall be governed exclusively by and construed in accordance with the laws of the Federal District, Mexico, without regard to its conflicts of laws' provisions.

I. The parties agree that any claim or dispute arising from this transaction will be submitted to non-binding mediation prior to initiation of any formal legal process. Such mediation will occur in Auburn Hills, Michigan, and the parties will bear their own expenses concerning the mediation.