

**TENNECO'S STANDARD TERMS AND CONDITIONS
GOVERNING PURCHASE ORDERS**

(Form PO-TC 03-11 Revision E1)

1. **ACCEPTANCE** – In order to become a valid and binding contract between Supplier and Buyer, this purchase order must be accepted by Supplier and the **ACKNOWLEDGMENT COPY RECEIVED BY BUYER** within seven days to the date hereof. Return of acknowledgment copy attached hereto or, in case of Supplier's failure to return the acknowledgement, the commencement of performance constitutes acceptance by Supplier of all terms and conditions herein and of the European and worldwide supplier manual communicated on www.tasupplier.com. If this order or any of its terms and conditions are not clear and satisfactory to Supplier, communicate with Buyer at once. Terms and conditions of this purchase order shall not be varied, amended or changed except upon further written order of Buyer nor shall Buyer be bound by Supplier's terms and conditions, which may appear on the invoice or other documents issued by Supplier unless Buyer expressly agrees to such terms and conditions in writing. Buyer will only be bound by those orders as are explicitly stipulated in the release documents. The estimated quantities quoted in the price inquiry statement or requests for quotation are indicative only, and do not bind Buyer, until Buyer explicitly calls for fixed quantities in the release documents.

Subject to these terms and conditions and any purchase order utilized by Buyer, Supplier agrees to maintain the capacity and availability to sell and supply to Buyer the estimated volumes of Products specified in Buyer's request for quotation as updated from time to time throughout the term of the supply relationship. In that respect, Buyer will from time-to-time provide Supplier with commercially reasonable non-binding forecasts of its estimated usage of the Products. Notwithstanding anything contained herein to the contrary, Buyer's Product purchase forecasts are based on the relevant non-binding forecasts of Buyer's customers and provided for information purposes only. Further, under no circumstance shall Buyer have an obligation to purchase any quantity of Products or commit to purchase any percentage of its requirements for such Products except as explicitly set forth in a purchase order issued by Buyer. In the event that Supplier does not maintain the aforementioned capacity and availability, Supplier hereby agrees to pay Buyer the difference in price (to the extent there is a shortfall) between the applicable third party substitute source and the applicable price agreed between Buyer and Supplier, provided that the substitute product purchased is of like value and quality. In case Buyer, for whatever reason, is unable to find a substitute supplier for the Products, Supplier shall indemnify Buyer for any and all damages incurred as a result of such Product supply disruptions, including, without limitation, all damages incurred by Buyer due to supply disruptions vis-a-vis its relevant customers.

2. **PRICES** – This purchase order must not be filled at higher prices than last quoted without written authority of Buyer. If price is omitted on order it is agreed that Supplier's price will be the lowest prevailing market price. Supplier warrants the prices named herein are as low as any (net) prices now given by Supplier to any other customer for like materials.
3. **PACKING, TRANSPORTATION AND CARTAGE** – No charge is allowed for packing, transportation, or cartage unless designated on the purchase order. Buyer's receiving department is instructed to reject all purchased items which are not properly packaged or not in suitable containers to protect them against slacking, corrosion, breakage, marring and disarrangement.
4. **QUALITY AND INSPECTION** – All parts, materials, assemblies and tooling ("Products") must

be as specified and can be subject to inspection, and approval of Buyer after delivery. The right is reserved to reject and return at the risk and expense of Supplier such portion of any shipment which may be defective or fail to comply with specifications without invalidating the remainder of the order. Rejected Products will be held for disposition at expense and risk of Supplier. Inspection or testing as aforesaid shall not be deemed to constitute acceptance of the Products or any part thereof nor shall it relieve Supplier from complying with any and all of the express or implied conditions in the contract. Supplier shall maintain quality and delivery standards that are consistent with the automotive standards of either ISO/TS16949 or a regionally accepted alternative as approved by Buyer. If Supplier does not meet such levels on any system survey, and Supplier does not correct such deficiencies within three months after notification by Buyer, in addition to any other rights Buyer has, Buyer may terminate this contract immediately without any further obligations to Supplier. At Buyer's request, Supplier will furnish Buyer test samples of such Products as may be reasonably required by Buyer to determine if such manufacturing is being performed in accordance with the specifications furnished by Buyer. These samples will be provided at no cost to the Buyer. Buyer may, upon reasonable notice, during normal business hours, make reasonable inspections, at such intervals as Buyer deems necessary, of the facilities where Supplier manufactures Products. Buyer may terminate this contract, effective after written notice to Supplier, if Supplier fails to maintain the quality standards for a period of three months.

5. SUPPLIER MANUAL – Supplier must comply with all requirements indicated in the European supplier manual, as well as the worldwide supplier manual, communicated on www.tasupplier.com. By signing this purchase order Supplier confirms that he has consulted the European and the worldwide supplier manual and that he agrees herewith. In case of any changes to the supplier manual on the website, Buyer will communicate these to Supplier, who will comply herewith.
6. ENVIRONMENTAL, HEALTH and SAFETY – Supplier must comply with local EH&S regulations and with Tenneco Automotive Europe's EH&S requirements, see "European Supplier Manual" on www.tasupplier.com.
7. QUANTITY – Buyer will not in any manner be responsible for Products delivered or for work done on its account unless duly authorized by a normal written order approved by Buyer properly authorizing the delivery of such Products (the so called releases) or the performance of such work.
8. DELIVERIES – Supplier shall not deliver any Products in advance of the schedule set forth in this order, without Buyer's written permission. Buyer reserves the right to return, shipping charges collect, all Products received at Buyer's plant in advance of the schedule shown on this order. Supplier will notify Buyer immediately in writing in the event Supplier becomes aware that he may be incapable of delivering Products on schedule. In the event of any delays or defaults in deliveries as result of Supplier's fault, Buyer will not be liable to pay any part of any increases in price, transportation costs, duty, exchange rates or other items which affect the cost to Buyer of the articles herein contracted for and which arise after the date for delivery specified. Supplier is obliged to compensate Buyer for any damage, additional costs or loss in profit caused by the delay in delivery. If such increases are due to instructions given by Buyer, Supplier shall whenever reasonably possible notify Buyer (1) that the instruction will result in an increase and (2) the specific nature thereof.
9. NON-PERFORMANCE – Buyer reserves the right to cancel this order or any portion of same in writing, at once and without prior notice, if delivery is not made when and as specified or in case of any other non performance of the contract by Supplier, without any cancellation charge and without any liability or obligation on part of Buyer, it being expressly understood that time is of

the essence in connection with the PLACEMENT of the order and in SCHEDULING and DELIVERY of the Products hereunder.

10. COMPENSATION – It is mutually understood and agreed that in addition to any other rights and remedies available to Buyer under the terms of this contract, Buyer shall have the right to set off amounts equal to costs or damages incurred by Buyer as a result of Supplier’s breach of the terms of this contract against any amounts due and owing from Buyer to Supplier.
11. INTELLECTUAL PROPERTY RIGHTS – Supplier agrees to defend, protect and hold harmless Buyer, its successors, assigns, customers and buyers or users of its goods by reason of the use of the Products or services against all suits at law and from all damages, claims and demands for actual or alleged infringement of, or inducement to infringe, any copyright, patent, design, drawing, trade mark or trade name or other protected intellectual property right in any country, by reason of the manufacture, use or sale of the Products or services ordered, including infringement which may arise out of compliance with specifications furnished by Buyer. Supplier agrees to defend at its own expense, and at no expense to Buyer, any such claims, demands or any actions at law arising there from or at the option of Buyer to permit and assist Buyer in the defense thereof and to pay all reasonable attorneys fees, court costs and other expenses sustained by Buyer in the defense thereof. It is a condition of the contract and Supplier guarantees that the sale or use of the Products or services in any part of the world will not infringe any copyright, patent, design, drawing, trade mark or trade name or any other protected intellectual property right. Supplier hereby grants to Buyer the right to repair or have repaired, to reconstruct or have reconstructed the Products ordered hereunder. Supplier hereby assigns to Buyer all right, title, interest in and to copyrights in any copyrightable Product created or produced for Buyer under this order.
12. GENERAL WARRANTY – Supplier expressly warrants to Buyer and to Buyer’s customer that all Products supplied or sold under this order will be (i) merchantable, (ii) in compliance with all specifications and drawings delivered to Supplier by Buyer, (iii) free from defects with respect to design, materials and workmanship, and (iv) are manufactured in accordance with the quality criteria identified in Article 4. The aforesaid express warranties shall be in addition to any standard warranty or service guarantee given to Buyer by Supplier. All warranties will survive inspection, installation, assembly, acceptance and payment by Buyer. All warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive. All warranties and service guarantees shall run both to Buyer and to its customers. In the event Supplier delivers defective or nonconforming Products or otherwise breaches the terms of this order (a “Breach”), Buyer may, at its election and in addition to any other rights or remedies it may have pursuant to this order, at law or in equity, recover from Supplier any consequential damages incurred by Buyer as a result of such Breach. Furthermore, Buyer may, at its election and at Supplier’s expense: (i) return the Products, (ii) purchase or manufacture items similar to the Products, (iii) accept or retain the Products and equitably reduce their price, (iv) repair or have the Products repaired or (v) require Supplier to promptly replace or correct the Products. There will be an administrative charge) assessed on a Debit Memo for each Material Rejection Report (MRR) processed, and in addition, for situations where labor hours of employees of Buyer are required to sort or rework Products documented as defective and the Supplier has been notified, Buyer’s cost recovery will be charged, in each case in accordance with the schedule set forth below. With respect to supply relationships governed by German law, Buyer will individually agree with the relevant Supplier on such administrative and cost recovery charges.

Cost Schedule:

50 €(EURO) administrative fee (for suppliers of Europe)

Tenneco Receiving Inspection Fee - \$50.00 (US\$) per shipment for the inspection of supplier product for re-certification or if certified process is interrupted due to non-conforming material (minimum 1 hour charge)

Tenneco Line Down Fee - \$50.00 (US\$) per hour per employee directly affected.

Tenneco Change Over Fee - \$50.00 (US\$) per hour per employee directly affected.

Tenneco Sorting Fee (including material handling) - \$50.00 (US\$) per hour per employee directly affected. If supplier or supplier paid contractor does the sorting with Tenneco approval fee will be waived.

Tenneco Investigation Fee - \$50.00 (US\$) per hour per employee directly affected.

In the event (i) Buyer, any of Buyer's customers, and/or any OEM determines that a recall campaign or owner notification program is necessary to comply with a law, regulation, order, or other government requirement, or (ii) within Buyer's reasonable exercise of its business judgment, such recall campaign or owner notification program is necessary for business purposes, costs, including but not limited to labor, transportation and traceability costs, shall be apportioned on the basis of the causal fault respectively attributable to Buyer and Supplier. For the purposes of this contract, a recall campaign is defined as a systematic effort to locate Product that is in breach of Buyer's or Buyer's customers' and/or any automobile manufacturer's warranties or otherwise required to be recalled to inspect and correct or replace such Product or parts of Product as necessary. Supplier agrees that in the event of any disagreement between Buyer and Supplier regarding apportionment of causal fault, that such dispute shall be referred to final and binding arbitration. The arbitrator shall have authority to determine how fault shall be apportioned and the costs which may be recovered by Buyer. Buyer reserves the right to reject any or all of the articles, assemblies or materials which do not fulfill the warranties above set forth. Such rejected articles, assemblies or materials shall be removed at the expense of Supplier promptly after notice or rejection. Supplier's warranty pursuant to this purchase order shall continue in effect for the same period of time as any warranty obligation of Buyer to Buyer's customers for Buyer's products that incorporate Supplier's articles. Buyer shall use good faith efforts to inform Supplier of the period of Buyer's warranty obligation towards Buyer's customers and of any changes herewith. Supplier shall transfer and assign to Buyer all of its rights (but not any obligations) under all warranties from equipment or material manufacturers or Suppliers, permitted subcontractors, or other third parties. Notwithstanding any other provision of this contract, the responsibilities of the Supplier set forth in this article will survive termination of the contract.

13. INDEMNIFICATION – Supplier shall indemnify, hold harmless and defend Buyer, and its respective present and future directors, officers, employees, and agents (each an “Indemnified Party” and together the “Indemnified Parties”) from and against any and all claims, demands, losses, damages, liabilities, causes of action, and expenses (including, but not limited to, costs of defense, mediation, settlement, and reasonable attorneys' fees), and, including but not limited to, claims for death of or bodily injury to any person, or injury to or destruction of any property, if and to the extent such claims directly or indirectly relate to or arise out of or in connection with:

- (i) any negligent or willful act or omission of Supplier, its subcontractors, agents, or employees; or
- (ii) Supplier's, its subcontractors', agents' or employees' breach of any provision of this contract; or (iii) Supplier's, its subcontractors', agents' or employees' violation of governmental laws, regulations, guidelines, permits, or orders.

Supplier further agrees to hold Buyer harmless from any claim or expense, including reasonable defense costs, on account of any lien, attachment, or encumbrance filed or asserted by any laborers, material manufacturers, goods providers, or subcontractor used by Supplier related to services under this contract and for any tax claims or liens filed on account of nonpayment of taxes by Supplier. Buyer disclaims and will not be liable.

14. **ENGINEERING, INFORMATION, TOOLS ETC. AND PROPRIETARY INTERESTS** – All design, tools, patterns, drawings, information or other equipment supplied by Buyer, or if supplied by Supplier especially for this order, the cost, substantially all of the cost, of which is included in the price to be paid for materials ordered hereunder, and relating to, or for use in, the manufacture of materials sold hereunder shall remain the sole property of Buyer, and Supplier expressly agrees that the same will not be used in manufacture or design for the account of others, without prior written consent of Buyer. All such property of Buyer, shall be returned to Buyer at termination, cancellation or completion of this order, unless Buyer shall otherwise direct in writing. All materials furnished by Buyer on this purchase order (except that which becomes normal industrial waste) shall be returned in the form of parts or unused material and Supplier shall exercise reasonable care in the safeguarding of all such materials until so returned. Supplier's spoiled or surplus material manufactured to Buyer's design must be so defaced or destroyed that it cannot be used for the purpose for which it was designed. The use of the drawings, reports, specifications, trade secrets, processes, and/or other data furnished is strictly limited to the purpose for which it is transmitted. Rights to all ideas, and features of novelty or invention described in the data supplied, to the extent originating with Buyer, and all design, manufacturing, reproduction use and sales rights regarding the same, are the property of and reserved to Buyer. Supplier shall not, without prior written consent of Buyer disclose, reproduce, or use such data for any purposes other than those for which the material is supplied. Supplier commits itself to demand the same guarantees of its own suppliers.
15. **RISK OF LOSS AND TITLE TRANSFER** – Risk of loss remains with Supplier until delivery of the Products to Buyer's final receiving docks is completed. The terms FOB, FCA or any other shipping terms used in Buyer's order refers to transportation charges and logistics costs only and not to title transfer. Title to the Products will remain with Supplier until delivery of the Products to Buyer's final receiving docks is completed.
16. **ASSIGNMENT** – Supplier may not assign this order, or any part thereof, without the prior written consent of Buyer.
17. **CANCELLATION FOR INSOLVENCY** – in the event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary, in bankruptcy or insolvency, the other party shall be entitled to cancel this contract forthwith, without liability for loss of anticipated profits.
18. **CONFIDENTIAL** – Supplier shall not disclose any details connected with this order to any third party except as may be required to insure performance and except as herein expressly specified without first obtaining the written consent of Buyer.
19. **TERMINATION** – Supplier agrees that Buyer may terminate work under this purchase order in whole or in part at any time by written notice to Supplier. In such case the following provisions shall control. Supplier shall cease all work, as to the terminated portion of the purchase order, upon receiving actual notice of such termination and shall notify contractors to stop work. Buyer shall be liable to Supplier only for direct costs of such finished goods, work in process and raw materials as (i) authorized in writing by Buyer in the release documents and (ii) cannot be otherwise utilized. Buyer shall not under any circumstances be liable to Supplier for any

amounts not specified by this paragraph, including but not limited to lost profits, lost opportunities and consequential or special damages.

20. **GOVERNING LAW** – This contract shall be construed to be effective in and under the laws of the registered seat of Buyer.
21. **JURISDICTION** – In the event of any dispute or difference arising out or in connection with this contract the same shall be, at the choice of the aggrieved party, referred (i) to the Court having jurisdiction over the registered seat of Buyer or at Buyer’s choice, the Court having jurisdiction over the registered seat of Supplier or (ii) to Arbitration Before starting any such proceedings, be it before the Courts or before Arbitration, the aggrieved party shall send a notice of claim to the other party by registered letter, indicating its choice of forum. If the aggrieved party chooses arbitration proceedings, the other party shall still have the right to opt for proceeding before the regular Courts by registered letter to the aggrieved party within 60 days after receiving such notice of claim. If that party remains silent, the aggrieved party’s choice will prevail. In case of arbitration, the dispute or difference mentioned above shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said rules.
22. **SEVERABILITY CLAUSE** – In the event any provision of these terms and conditions is found to be invalid, illegal or unenforceable, such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, legal and enforceable. If such modification or restriction is not possible, the nullity of one or more of the present clauses will not affect the validity of the others or the validity of the contract.
23. **SPECIAL CONDITIONS; COMPLIANCE WITH LAWS; AUTHORIZATIONS** – In performing this Agreement, Supplier shall (i) comply with all applicable treaties, laws and regulations, and (ii) obtain all releases, licenses, permits or other authorizations required by any governmental body or authority.

If the product is manufactured in or imported into the European Union, the product must follow applicable requirements under Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH Regulation”).

The definitions of the REACH Regulation are applicable.

To assist Supplier with its REACH compliance obligations, Buyer has provided Supplier with access to its REACH@TEN Supplier WebPages. In addition to following the procedures specified therein, the Supplier must:

- a) Show proof of compliance with REACH Regulation, including Registration, Authorization and other applicable supplier requirements. Supplier Registration must provide Tenneco’s use for the products purchased.
- b) Provide for all Substances and Preparations, as far as legally required, Safety Reports and Safety Data Sheets. For all substances or preparations that meet the criteria of Art. 31 para. 1, 3 REACH Regulation, the Safety Data Sheets must be made available in a format that is in accordance with Annex II of the REACH Regulation.
- c) Provide for Substances and Preparations, for which no Safety Data Sheet is required, the information referred to in Art. 32 REACH Regulation,
- d) Provide for substances in Articles, the information referred to in Art. 33 REACH Regulation.
- e) Absorb all costs of Registration, testing, and maintenance of Registration in connection with REACH Regulation.

f) Inform Tenneco immediately:

- 1) if there are changes to the Registration or Authorizations of Substances for Substances, Preparations, or Articles purchased by Tenneco.
- 2) if any of the Substances, Preparations, or Articles purchased by Tenneco meet the criteria referred to in Art. 57 REACH Regulation or are on the candidate list for eventual inclusion in Annex XIV of the REACH Regulation.
- 3) if the Supplier intends not to pre-register a phase-in substance.
- 4) if the Supplier has failed to pre-register a phase-in substance in time.
- 5) if a Registration has been rejected by the European Chemicals Agency (ECHA).
- 6) if an Authorization has been rejected by the European Chemicals Agency.

If Supplier fails to comply with applicable REACH Regulations or follow Tenneco's requirements in this regard, the Supplier shall indemnify and hold Buyer harmless from and against any and all claims, demands, losses, damages, liabilities, causes of action, and expenses (including, but not limited to, costs of defense, administrative fines and/or penal consequences, mediation, settlement, and reasonable attorneys' fees) arising from, or relating to, such non-compliance. Supplier's noncompliance shall be deemed to be a material breach of this Agreement and grounds for Buyer's immediate termination of the same.

Supplier shall not take any action which would, or fail to take any action where such failure would, directly or indirectly result in or constitute a violation by Supplier or Buyer of any applicable law, treaty, ruling or regulation. Supplier must not seek, accept, offer, promise or give any payments, fees, loans, services or gifts from or to any person or firm as a condition or result of doing business with Supplier or Buyer. In performing Supplier's obligations under this Agreement, Supplier or any person acting on its behalf shall not seek, accept, offer, promise or give any payments, fees, loans, services or gifts from or to any person or firm as a condition of doing business with Supplier or Buyer. In performing its obligations under this Agreement, neither Supplier nor any person acting on Supplier's behalf shall make, directly or indirectly, any offer or promise or authorization of a bribe, kickback, payoff or any other payment or gift intended to improperly influence an agent, government official, political party or candidate for public office to exercise their discretionary authority or influence in order to assist in the sale, marketing, promotion, importation, licensing or distribution of Buyer's product and/or services. Supplier shall also not engage in commercial bribery by seeking, accepting, offering, promising or giving any payments, fees, loans, services or gifts from or to any person or firm as a condition or result of selling, purchasing or otherwise marketing Buyer's products and/or services. Supplier shall maintain for at least two (2) years and make readily available to Buyer or its duly authorized representatives at any time during normal business hours, books, records and accounts prepared in accordance with generally accepted accounting principles which accurately and completely reflect the nature of every transaction related to the performance of Supplier's obligations under this Agreement.