

General Terms and Conditions

For Manufacturing and Supplying, Use and Storage of Tooling
of
L&P Automotive Group Europe

THESE GENERAL TERMS AND CONDITIONS SHALL SUPERSEDE
AND EXCLUDE ANY TERMS AND CONDITIONS OF THE
SUPPLIER

Commitment / Release		
The following department responsible persons have given their commitment to the process description in the available format. Simultaneously they are obliged to use the entire process description in their departments. Changes have to be applied by the Process-Owner, have to be discussed with the Process-Owner and if necessary have to be implemented due to a re-release of the process description.		
Function	Name / Sign	Date
L&P AE/ Purchasing	Veit Stößel	15.01.2008
L&P AE/ Quality	Andrew Morgan	15.01.2008
L&P AE/ Finance	Ellen Hoffeins	15.01.2008
Created by: G. Ziegler		
Function	Name / Sign	Date
QM	Andrew Morgan	15.01.2008
Release Responsible (GM / PO)	Veit Stößel	15.01.2008

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The user shall be responsible for only using the current version. All previous versions shall be obsolete.

Changes and additions to the corresponding previous version of the “**General Terms and Conditions for Manufacturing and Supplying, Using and Storing of Tooling of L&P Automotive Group Europe**” may be made without notice.

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1 SCOPE

This document shall apply to all facilities of Leggett & Platt Automotive Group Europe (henceforth: **L&P AE**).

It shall control the conditions for manufacturing and supplying, servicing and maintaining, using and storing of tooling by suppliers for **L&P AE**. (For definitions of terms see Item 2.)

The following General Terms and Conditions of the Company shall apply to all orders placed by the Company, as well as all contracts concluded between the Company and the Supplier. They shall also apply to all future business relationships, even if they are not expressly confirmed again. Any additional Supplier conditions shall not bind the Company, even if express objection is not made by the Company. The Company's conditions shall also apply if the Company accepts the Supplier's goods without reservations, knowing of conditions contrary to or differing from the Company's own conditions.

All agreements made between the Company and Supplier in connection with the Contracts shall be documented in these contracts, these conditions, and the Company's written orders.

2 DEFINITIONS

In the context of these General Terms and Conditions, the terms below shall mean the following:

'**The Company**' shall mean L&P AE and/or its subsidiaries and marketing departments.

'**General Terms and Conditions**' shall mean the terms and conditions defined in this document, and shall include all Special Terms and Conditions agreed upon in writing by the Company and Supplier.

'**The Supplier**' shall mean the firm, the company or the individual from whom the Company orders goods.

'**The Order**' shall mean the offer made to the Supplier by the Company regarding the conclusion of a contract.

'**Goods**' shall mean the tooling specified in this contract.

'**The Delivery Address**' shall mean the address specified in the order.

'**Specification**' shall mean the technical description of goods that is either included in the order, or to which the order refers, as well as relevant tables, drawings, and specifications that are either enclosed with the order or sent to the Supplier separately by the Company itself, or on its behalf.

'**Contract**' shall mean an agreement between the Supplier and Company regarding the sale or purchase of goods, or a contract for supplying the Company with goods (tooling).

'**Parties**' shall mean the Company and the Supplier.

'**PPAP**' stands for Production Part Approval Process.

'**In writing**' shall include by telex, e-mail, telegram, fax transmittal, or comparable means of communication.

'**Tooling**' shall mean all tools, machines, jigs, molds, dies, samples, plants and / or equipment, measuring and testing devices (gauges), templates, models, drawings, and similar items required for manufacturing and testing of parts to be supplied.

'**Information**' shall mean all documents, sketches, samples, manufacturing processes, trade secrets, or other information.

'**Off-tool parts**' shall mean components made using the tooling.

The headers in these General Terms and Conditions are intended to facilitate organization; they do not represent an interpretation of these GT&C.

3 EXISTENCE AND SCOPE OF ORDERS

Orders shall be placed using the Company's order forms according to these General Terms and Conditions.

The Company shall be bound by its orders for a period of two weeks. Orders are deemed accepted if Supplier begins work on the project or fails to reject the order within this two-week period through a written declaration sent to the Company.

4 PRICES AND PAYMENT, OFFSETTING, ASSIGNMENT

The prices of goods must be identical with the prices listed in the order.

Goods prices may only be changed with the Company's prior written approval.

The Supplier's invoice must comply with Company's specifications, which can be found in the "Suppliers Guide."

All tooling changes that are foreseeable beyond the warranted life (such as date clocks that must be replaced) are defined as basic maintenance.

They shall thus be included in the price paid for the tooling.

Payment for tooling shall be made according to the following scale.

The Supplier must send the Company separate invoices according to this scale:

30% upon receipt of the first order confirmation signed by the Supplier, and of the tooling schedule accepted by the Company.

25% upon receipt of the first off-tool parts using the goods, or of proof of functionality of tooling.

+10% for timely delivery of goods and/or sample parts, or of proof of functionality of tooling (see Item 22 Penalty Clause)

30% upon acceptance of the initial samples and receipt of the complete documentation for the tooling, or of proof of specified functionality at the agreed-upon operating location of the tooling.

(In the case of assemblies, the release of samples shall not only apply to the individual components, but also to the complete assembly)

5% after a three-month period of deliveries to the Company of goods that were not rejected, or of production and acceptance of products made using the tool, which quality was not rejected by the Company.

The Company shall have the right to offset sums owed by the Supplier and due to the Company in the context of this Contract, as well as of other accounts, against amounts owed to the Supplier in the context of this Contract.

The Supplier shall not have the right to assign any rights or obligations arising out of this order without prior written consent by the Company.

5 SCOPE OF SUPPLY AND PERFORMANCE, WARRANTY, ACCEPTANCE, TIME OF PERFORMANCE

The tooling must be manufactured according to the Company's defined specifications and requirements.

However, the responsibility for designing the tooling shall lie exclusively with the Supplier.

The Supplier shall guarantee that the tooling complies with the Company's defined specifications and requirements (quality warranty.)

With the exception of wear parts, all tooling components must be sturdily designed so that the life of the tooling exceeds the duration of the project and its specified parts output.

All wear parts must be specified as part of the tooling documentation and their useful lives stated.

The Supplier agrees to have the tooling manufactured by appropriately qualified and trained personnel using all reasonable care, and according to industry accepted quality standards.

Delivery deadlines for the goods are of essential importance of the Contract.

The agreed-upon lead times for the tooling, or the initial off-tool parts, apply to their delivery at the Company's ordering facility, and they are binding. Time is of the essence in the performance of this order. In addition to any other rights and remedies of Company, seller shall be responsible for any and all of Company's indirect and direct damages due to Supplier's failure to timely perform or other breach of the terms and conditions of this order.

Suppliers must confirm delivery deadlines in writing and submit a detailed project plan for creating the tooling (schedule) and the data for the Supplier's contacts (project engineer) to the Company's ordering facility no later than at the time of order confirmation.

The Supplier shall be responsible for providing a status report on the creation progress of the tooling to the project leader in the Company's organization every other week.

The Supplier is obligated to notify the Company promptly of any difficulties or delays with regard to the Contract, whether actual or expected, as well as the suggested counter measures.

During transit and storage, the tooling shall be adequately packaged and protected from damage or deterioration.

In addition, tooling shipments must also be accompanied by unambiguous documentation.

(See requirements according to "Supplier Guidelines.")

All mandatory measures, such as installation of tooling by the Supplier's employees and training of Company personnel, shall be part of the Contract. Thus, they shall be listed in the offer, and they shall be included in the price.

The Company is obligated to examine the goods after delivery by the Supplier for deviations in quality and quantity within a reasonable period of time. Objections to obvious defects are considered made in a timely manner if it is sent by the Company within three working days of goods delivery and then received by the Supplier; objections to hidden defects are considered to be timely if the Company sends them within three working days from their detection, and such objections are then received by the Supplier.

The quality warranty in the 3rd sentence of this section shall not require an objection, and its assertion is possible at any time during the agreed-upon warranty period (cf. Item 23. Warranty.)

6 ASSIGNMENT AND SUBCONTRACTING

The Supplier may only assign or subcontract any of the contractual obligations either partially or in their entirety with the written approval of the Company.

If the Company agrees to such an assignment for subcontracting, the Supplier shall continue to be liable to the Company for all obligations in the context of the Contract.

In case of such subcontracting, the Supplier shall be obligated to include terms & conditions that comply with the General Terms and Conditions of the Contract.

The Supplier must ensure that said conditions can be enforced directly by the Company.

At the request of the Company, the Supplier must submit the details of said a subcontracting agreement.

7 TECHNICAL CHANGES

Any necessary or requested changes of the specifications must result in an immediate response from the Supplier. The Supplier must clearly define and itemize what consequences the requested change will have with regard to delivery deadlines, prices and costs to the Purchasing Dept. of the Company's ordering facility.

In general, all specification changes must have been defined and approved by the Company in advance and in writing.

8 COST REIMBURSEMENT

If the Supplier definitely cannot start delivery according to the contract due to a circumstance under the control of the Supplier, the Company shall have the right to request reimbursement of its expenses for the tooling. Any other statutory rights or rights of the Company according to these General Terms and Conditions shall continue to exist.

9 OWNERSHIP

In general, tooling ownership shall transfer to the Company immediately upon completion. This shall also apply if the tooling remains the property of the Supplier, who manufactures parts, components and assemblies using the tooling.

In this case, the Company shall retain ownership regardless of whether products are actually manufactured and/or delivered using the tooling.

If the tooling is manufactured by third parties, the Supplier shall agree with such third parties to assign ownership to the Company. In this case, a constructive possession relationship shall be agreed upon herewith between the Company and the Supplier, and the Supplier shall be authorized to accept the third party's declaration of intent to assign ownership to the Company.

The Company shall have and retain ownership in any and all patents, design patents, trademarks, copyrights, as well as other industrial or intellectual property rights in connection with the goods, and all drawings, specifications, technical data, computer software (including source codes) and the like that have been manufactured by or on behalf of the Company.

The Supplier is obligated to return the tooling to the Company, at any time and promptly, in good order. The Supplier shall waive the right to any objections or to retention.

If the tooling is returned, the Supplier shall agree to reimburse the Company upon request for the replacement cost of the Company's property that was not returned in good condition or that cannot be accounted for to the Company's satisfaction.

10 IDENTIFICATION

The Supplier agrees to promptly apply a proprietary notice to the tooling.

Such labeling must be clearly visible and legible. It must be secured against non-destructive removal.

The following is the minimum information for the tooling label:

- Property of the **Company** (plus the information for the Company's ordering facility)
- The tooling number of the **Company**
- The **Company's** parts number (including the change index) of the component to be manufactured

At the request of Company clients, but only at the express direction by the Company, the Supplier must apply additional ID labels to the tooling.

Design, documentation and labeling must be in English.

Deviations shall require written approval from the Company's ordering facility.

11 ENVIRONMENTAL AND SAFETY REGULATIONS

All legal regulations and conditions with regard to the environment and safety in the country of manufacture and distribution shall be complied with.

Use of the CE mark and the corresponding Declaration of Conformity shall be mandatory.

12 TOOLING REGISTER

In the approval process, the Supplier shall provide the Company with documentation on all relevant objects and documents of the tooling, including their exact description and identification, in a complete register.

If the tooling remains the property of the Supplier, the Supplier shall be obligated to maintain this Tooling Register and to submit it, at the request of the Company, for inspection at any reasonable time.

13 CERTIFICATE OF ORIGIN

The Supplier shall be obligated to submit to the Company, upon request, the required origin declaration of the goods and their components with regard to customs regulations. The Supplier shall be liable for any and all losses of the Company due to improper or belated declarations.

If necessary, the Supplier shall prove the origin statements of the goods by means of an information sheet stamped by a customs postmark.

14 TOOLING USE (IF TOOLING REMAINS WITH THE SUPPLIER)

If the Supplier accepts the Company's order for delivery of the tooling, the Supplier shall be obligated to fulfill this Contract.

This shall also apply, in particular, during the retention period after series delivery has ended.

The Supplier shall warrant to the Company the confirmed capacity / output volume (number of parts) from the tooling at all times.

After completion of the Contract, or the end of the series, the Supplier shall retain the tooling for the parts to be manufactured for 10 years.

At the end of the ten-year period, the Company may choose to take possession of the tooling, or else the Supplier's retention period shall expire.

During the entire retention period, the tooling may not be duplicated or sold, assigned as collateral, pledged, or otherwise transferred. In addition, it may not be used for third parties in any way, with or without compensation.

Products manufactured using the Company's tooling or created according to the Company's specifications (e.g., drawings) may not be exhibited by the Supplier.

Exceptions to this condition shall require a special written release which shall, upon request, apply only to a specific event.

15 INSURANCE (IF TOOLING REMAINS WITH THE SUPPLIER)

The Supplier shall be obligated to bear all risks regarding loss of or damage to Company property while in the Supplier's care or control.

For this purpose, the Supplier shall obtain adequate insurance coverage after the tooling has been approved.

The Supplier shall provide the Company with a copy of the policy as proof.

The Supplier must determine and document the insured value of all tooling annually. Upon request, the Company shall be informed of the insured value.

16 EMERGENCY PLAN

In the context of the contractual negotiations, the Supplier shall provide the Company with an emergency plan which represents a plausible guarantee for the resumption of manufacturing in less than 24 hours for 7 days a week.

All measures required for this purpose shall be clearly communicated to the Company (such as potential availability of the Supplier's service personnel, orientation and training of Company staff, etc.)

The Supplier shall stock spare part sets which must be kept to ensure this response time.

If the required response time can only be ensured if the Company stocks said spare parts or spare part sets, a binding bid must be made to the Company for the cost for these components at the time the goods are offered.

If the Supplier accepts the Company's order for delivery of the tooling, the Supplier shall, at the beginning of the project, provide the Company with an emergency plan for manufacturing with or from the tooling.

17 RETENTION, CONFIDENTIALITY

The contracted or contractually provided tooling must not be removed from the Supplier's specified, agreed upon premises at any time.

Unless agreed upon in writing, moving the tooling shall require prior notice and the Company's authorization.

This means that for moving production to a different manufacturing facility or to a subcontractor's facility, prior consent by the Company shall also be required.

The Supplier shall be obligated to keep any and all drawings, specifications, technical data, computer software (including source codes), which have been prepared by the Supplier or Company in the context of the order and the contract, confidential.

This information must be used exclusively for contractual purposes and may not be transferred to any third parties.

In addition, said information must be returned to the Company no later than after completion of the contract.

18 REPETITION OF PPAP (IF TOOLING REMAINS WITH THE SUPPLIER)

If the Supplier accepts the Company's order for delivery of the tooling, the following special cases shall require a new PPAP submittal to the Company:

- severe / vast damage to or destruction of tooling:
Suppliers must notify the Company immediately in writing of severe / vast damage to or destruction of tooling; based on this information, the Company will decide whether new initial samples must be submitted.
- scheduled resumption of production after the tooling has been moved
- before a production release / tooling product order, after the tooling has not been used in production for 12 months or more.

19 CARE, MAINTENANCE, SERVICE AND REPLACEMENT (IF TOOLING REMAINS WITH THE SUPPLIER)

From the time the initial samples are approved and the complete documentation for the tooling is received, the Supplier shall take on the responsibility of care, service and maintenance of the tooling at the Supplier's own expense. This includes the obligation to replace all lost, broken or worn items immediately.

In addition, the tooling shall always be kept operational at a state-of-the-art level. This includes, in particular, the Supplier's responsibility for the correct tolerances of the tooling.

No later than 14 days upon receipt of the above release, and, every 12 months following, the Supplier shall submit to the Company a service schedule and a description of the state or condition of each piece of tooling.

20 INSPECTIONS (IF TOOLING REMAINS WITH THE SUPPLIER)

If the Supplier accepts the Company's order for delivery of the tooling, he shall be obligated to allow the Company or its representatives at any reasonable time to access the premises where the Company property is located, for the purpose of inspection.

21 TOOLING RETURN

If bankruptcy proceedings are initiated against the Supplier, the Company shall have the right to rescind the Contract immediately.

The same right to rescission shall apply if the Supplier ceases business operations, or if such an action is impending.

If the Company rescinds the contract due to the above reasons, it shall have the right to effect the immediate return of the tooling.

22 PENALTY CLAUSE

If there are delays with regard to the lead time for the first off-tool parts from the tooling, or with the proof of functionality of the tooling, and if the Supplier is responsible for such delay, the Company reserves the right to reduce the cost of the tooling.

The reduction shall be 0.5% of tooling cost per week of delay, up to a maximum cost reduction of 10%. Company shall also be entitled to all other rights and remedies allowed under this agreement and applicable law for failure to deliver in a timely manner.

23 WARRANTY

The warranty shall depend on the regulations of the country in which the Company is located which has concluded the contract with the Supplier, unless something different has been specified below.

The quality warranty under Section 5 results in strict liability to the Supplier for any damage on the part of the Company resulting from a lack of the agreed-upon quality. The warranty period for this warranty shall be 36 months.

The warranty period for the tooling shall be 36 months from the release of the initial samples and receipt of the complete documentation of the tooling, or from proof of the specified functionality at the agreed upon operating facility of the tooling.

During this warranty period, the Supplier shall perform all repairs and corrections at the Supplier's own expense. This shall also include shipping of components to be repaired and spare parts.

24 LIABILITY

If a claim is filed against the Company by third parties that is directly or indirectly attributable to a defect in the goods or services purchased from Supplier, then Supplier must indemnify the Company, at its first request, from all third party claims, including the necessary legal and other costs for defending these claims.

If the Company must conduct a recall due to a product defect according to Paragraph 1, the Supplier shall be obligated to reimburse the Company for all expenses resulting from, or in connection with, the Company recall.

This shall not affect any further legal claims of the Company.

If the Company wants to exercise its right against the Supplier according to the preceding conditions, it shall inform him comprehensively and also consult with him. The Company must give the Supplier an opportunity to investigate the defect. The contractual partners shall come to an agreement on the measures to be taken, in particular, on settlement negotiations.

The obligation for reimbursement shall be excluded if the Company in turn has effectively limited its liability towards third parties. In doing so, the Company will also strive to arrange for limitations of liability benefiting the Supplier to the extent legally permissible.

Unless otherwise specified, liability shall be based on the legal regulations of the country in which the Company's facility is located that has concluded the contract with the Supplier.

25 PROPERTY RIGHTS

Any intellectual property indirectly or directly arising out of Supplier's performance of this contract shall be the property of the Company. The Supplier shall be liable for claims resulting from any violation of property rights or of applications for such rights during use of the deliverables in accordance with this Contract.

This shall not apply if the Supplier has manufactured the deliverables according to the specifications provided by the Company.

To the extent that the Supplier is liable due to Company's specifications, the Company shall indemnify the Supplier from claims of third parties.

The Supplier shall indemnify the Company and its clients from all claims arising from the use of proprietary property rights or applications for such rights.

In general, if disputes over property rights should arise, the contractual partners shall completely inform each other without delay.

26 FORCE MAJEURE

Neither party shall be liable to the other if it cannot perform its contractual obligations due to the circumstances beyond the control of the parties, such as fire, explosion, labor dispute, or a failure to act by any authority or government. Such excuse from performance shall only continue for the duration of the event described above.

In such cases, the Company shall have the right to purchase products or services covered by the Contract elsewhere for the duration of said circumstances.

The Company shall be allowed to reduce its purchases in the context of the Contract accordingly, without incurring liability to the Supplier.

The contractual partners shall be obligated to immediately adjust their obligations to the changed circumstances in a manner that can be reasonably expected, and to pass on the required information to the other party without delay.

27 CONDITION AMENDMENTS

Any changes in conditions shall be written and require written approval from Company.

28 SEVERABILITY CLAUSE

If one or more parts of these General Terms and Conditions should be ineffective, the parties shall agree to a replacement or addendum for such passages that most closely resembles the existing version and is legally effective.

The effectiveness of the remaining conditions shall be unaffected.

29 APPLICABLE LAW

Unless expressly agreed upon otherwise, the Contract shall be governed by and interpreted according to the law of the country in which the Company's facility is located which has concluded the Contract with the Supplier.

The conditions of the UN Convention on Contracts for the International Sale of Goods (CISG) and the conflict-of-law rules of international private law shall be expressly excluded.

The Company and Supplier shall agree to the court at the Company's address of record having jurisdiction for any disputes. In addition, the Company shall also have the right to bring complaints against the Supplier in the courts having jurisdiction for the Supplier's address of record.

30 APPENDIX: TOOL LICENSING AGREEMENT**Tool number / serial number:****Tool description :****Mold life / molding cycle:**

The supplier hereby assumes responsibility for the above-mentioned tool (and accepts the “**General Terms and Conditions for Manufacturing and Supplying, Using and Storing of Tooling of L&P Automotive Group Europe**”) for the production-related manufacture of components on its property.

In the event of supplier insolvency, the company, as the tool owner (and/or through an authorized representative) is, at any time, authorized to enter the supplier’s premises and remove the tool without stating any reason.

Date of transfer to the supplier:

For the company:
(Tool owner)

For the supplier:

Company stamp, date, and signature_____
Company stamp, date, and signature