



*Purchasing Raw Materials
Supplier Requirements Manual*

Purchasing Raw Materials Supplier Requirements Manual

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Preface

Continental places the highest emphasis on the **performance, quality, reliability** and **integrity** of its products. To assure success in the very competitive, global industry, Continental management is committed to the following principles.

We make individual mobility safer and more comfortable

Thanks to our core competencies, products and services, we, together with our customers, improve the safety, comfort and fun of driving.

Performance

Delivering high performance products and services to our customers is what motivates us in all our business areas.

Combining technological, ecological, economic and personal aspects of performance makes the difference at Continental as this is one of our strengths.

Creating value is our driving force

With our products and services we create value for our business partners and shareholders as well as for our employees and society in general. Increasing profitability and consistent cost management in all business areas is the basis for our success.

These principles apply internally in the way we run our business and externally in our interactions with our supplier base.

Since our supplier base is an integral part of our business, it is important to us that you, our supplier, adopt and maintain a similar management commitment and in a like manner, extend this philosophy within your own supplier base.

Acceptance of binding obligation

The objective of this Requirements Manual is to provide you with clear requirements in a concise and succinct manner. While we attempt to make these requirements transparent and easily understood, it is recognized that due to the nature of your products, some exceptions may be required. In the latter cases, please document your concerns and recommendations, providing a sound rationale for your position and direct same to our Corporate Purchasing group.

Please note, however, that raising concerns or proposing recommendations shall not relieve your responsibility to comply with all of the provisions and obligations in this Requirements Manual. Please be further advised that no exceptions or changes to this Requirements Manual will be deemed to exist unless a Continental officer executes a formal contract accepting such exceptions or changes. Absent a written agreement signed by a Continental officer, all additional or conflicting terms proposed by you are hereby rejected.

We welcome suggestions and constructive comments relative to the content of this Requirements Manual.

Hannover, March 2010



Lucie Toscani
Corporate Purchasing
Senior Vice President



Dr. Thorsten Reese
Corporate Quality and Environment
Senior Vice President



We reconcile human interests, environmental concerns and corporate interests.

Environment, Safety, Security, Health and Fire Protection (ESH*) are essential elements of our corporate culture.

- We comply with the applicable laws and internal guidelines.
- We contribute significantly with our processes and products to environmental protection, especially to climate protection.
- We conserve our resources by reducing the consumption of energy, water, raw materials and processing materials.
- We undertake preventative measures and protect all persons in our company from accidents and work-related illnesses.
- We conduct operational emergency management to avoid injury to persons, property and the environment.
- We train, inform, and motivate our employees to behave safely and with concern for the environment.
- We include our contracted partners, suppliers and customers in our ESH-activities.
- We communicate openly with the public, with authorities and with organizations regarding ESH planning and activities.
- We constantly monitor our ESH performance and achieve continuous improvement.

All persons working for our corporation are obliged to follow these ESH standards and to actively participate.



*Environment, Safety, Security and Health

The Executive Board

September 2009



Winning the future together – Quality without compromise

Quality increases the value of our company.

**Quality determines the satisfaction of those
connected with our business**

○ **Our customers**

We convince them with our performance and innovation.
We supply them with flawless products and services to
their highest satisfaction.

○ **Our suppliers**

The reliability and quality of their performance is a
prerequisite for successful co-operation.

○ **Our employees**

We encourage their capabilities and personal development
through recognizing their performance. Their commitment
and competence secures our success.

○ **Our shareholders**

We strive for continuous economical success and growth,
thereby justifying their trust.

○ **Our society**

We recognize our social responsibilities. The long-term
protection of people and the environment is an integral
part of our activities.

**Quality is a core competence and the
foundation of every success.**

**Our path to continuous improvement of quality is
the Q.BIC initiative.**



The Executive Board

September 2009



Corporate Social Responsibility

Continental's corporate guidelines are summarized in the **BASICS** which document the standards required in cooperating and working together with our stakeholders.

As a global technology company and development partner to the automotive industry and further important industries, we stand by our social responsibility.

- We respect the laws and culture of each country in which we operate.
- Ethical and legal principles govern the way we live and work. These principles are set out in our **code of conduct**.
- Our behavior is characterized by honesty and integrity.
- We conduct an open and constructive dialog with all groups in society.
- We respect the interests of our stakeholders (customers, shareholders, employees, partners, suppliers) and allow them to participate fairly in our success.
- We are environmentally conscious, protecting climate and resources and thus ensuring their sustainability.
- Our actions ensure the long-term success of the corporation.

These basic values and principles conform to international agreements and internal regulations. They are actively lived within the corporation. We do not tolerate disrespect for our Corporate Social Responsibility.

The Executive Board

June 2008

1. Introduction

1.1. Scope, Validity and Application

All previous versions of corporate Supplier Requirements Manuals (as defined hereinafter) issued for Continental AGs Tire divisions and/or ContiTech division for Chemical Raw Materials (as defined hereinafter) and/or Reinforcements (as defined hereinafter) are invalid.

The only valid Supplier Requirements Manual for Continental AGs Tire divisions and ContiTech division for Chemical Raw Materials and Reinforcements is this Purchasing Raw Materials Supplier Requirements Manual ("Manual") in the on-line version on the Internet (http://www.conti-online.com/generator/www/com/en/continental/portal/themes/global_sourcing/supplier_requirements_manual/ct_supplier_requirements_manuel_en.html).

This Manual is intended to give detailed information about Continental's Supplier (as defined hereinafter) requirements and expectations.

The stipulations in this Manual are mandatory and valid for all business agreements, including all products, for beneath specified Products.

- Chemical Raw Materials, often referred to as compounding materials, for the use as direct (production) material ("Chemical Raw Materials")
- Reinforcements, made of various materials, e.g. steel, textile, etc., for the use as direct (production) material ("Reinforcements")

This Manual is an integral part of each purchasing agreement between Continental and the Supplier and states binding requirements for the Supplier.

Unless otherwise explicitly agreed in writing by Continental, the Supplier must meet the stipulations stated in this Manual.

In the event that any provision of this Manual is not applicable or enforceable, all other provisions shall remain in full force and effect.

Compliance with the requirements stated in this Manual is essential and mandatory and it is therefore requested that the Supplier informs all responsible members of its staff of the content of this Manual.

1.2. Definitions and Abbreviations

ASN

Advance Ship Notice

The Basics

Policy describing Continental's vision, values and beliefs

CE

Conformite Europeene

CFC

Chlorofluorocarbon

Chemical Raw Materials

One group of Raw Materials, often referred to as compounding materials, for the use as direct material

Continental

Refers in this Manual to Continental AG's Tire divisions and ContiTech division and all subsidiaries and affiliates thereof

Corporate Social Responsibility Policy of Continental

Continental policy document

EC

European Commission

EDI

Electronic Data Interchange

Environmental Protection, Safety, Security and Health (ESH) Policy of Continental

Continental policy document

EU

European Union

General Conditions of Purchase of Continental Aktiengesellschaft and of the Business Units of the ContiTech Division

Continental's purchasing conditions

ISO

International Organization of Standardization

ISi

Informationssystem für Sicherheitsdatenblätter (Information System for Material Safety Data Sheets)

MSDS

Material Safety Data Sheet

PE

Polyethylene

Process

Set of interrelated or interacting activities which transforms inputs into outputs

Product

Result of a process (either material or immaterial)

Example: Chemical Raw material, Reinforcement, etc.

Purchasing Raw Materials

Department within Continental AG

Purchasing Raw Materials Supplier Requirements Manual, also referred to as "Manual"

This document with Supplier requirements

Quality Policy of Continental

Continental policy document

Raw Materials

Collective term for Chemical Raw Materials and Reinforcements

REACH

Registration, Evaluation, Authorization and Restriction of Chemical Substances

RESY

Organisation für Wertstoffentsorgung GmbH

Reinforcements

One group of Raw Materials, made of e.g. steel, textile, etc., for the use as direct material

Supplier

External organization or person that provides a Product (material or immaterial)

Example: Producer, distributor, retailer or vendor of a Product, or provider of a service or information

Supplier Requirements Manual

Document with Supplier requirements

TS

Technical Specification

VMI

Vendor Managed Inventory

VMOI

Vendor Managed and Owned Inventory

2. General Requirements

2.1. Basics

The success and competitiveness of a company can nowadays not simply be defined by its growth and profitability, even the best Products are of no use when social and environmental requirements are not taken into account.

Quality is part of Continental's entrepreneurial approach and it affects all dimensions of Continental's work.

Continental is conscious of its social responsibility and its responsibility towards the environment as a global corporation.

Continental is committed to corporate social responsibility, environmental protection and quality as defined in following policies.

- The Basics
- Corporate Social Responsibility Policy
- Environmental Protection, Safety, Security and Health (ESH) Policy of Continental
- Quality Policy of Continental

Continental expects its Suppliers to demonstrate their social and environmental responsibility and commitment to quality consistent with the principles in above policies.

2.2. Supplier Approval

New Suppliers undergo an approval process, starting with Supplier self assessment and possibly followed by additional sequential steps.

2.2.1. Supplier Self Assessment

“Supplier Self Assessment” requires completion of the Supplier self assessment form and submissions together with additional documents, as stipulated in the form.

Following submission, Continental then conducts an internal review based on information tendered, together with the Product risk, and determines what other actions are required.

2.2.2. Supplier Site Assessment

Following Supplier Self Assessment and Continental internal review, Continental decides about conducting a “Supplier Site Assessment”.

Supplier Site Assessments are conducted at the manufacturing sites facilities and include checks with respect to company, technology, supply, quality and cost/finance.

A successful Supplier Site Assessment is required prior to that facility becoming an approved Continental source of supply.

2.2.3. Supplier Certification

Suppliers of Products having an impact on Continental’s product quality (mainly, but not limited to, Suppliers of production material) must have their quality system certified according to ISO 9001 (latest issue).

A certification according to ISO/TS 16949 (latest issue) is appreciated.

Suppliers are also expected to provide a valid ISO 14001 (latest issue) certificate.

Suppliers for Continental on-site work or other service providers shall provide legal qualifications respectively permits and certified competences and skills.

2.2.4. Quality Assurance Agreement

If Continental considers it appropriate, the final stage in the Supplier approval process is completion and submission of the Quality Assurance Agreement provided by Continental.

2.3. General/Product Liability Insurance

Suppliers are requested to purchase and maintain, on their own cost, a public-liability insurance as well as a general/Product liability insurance, each with commercially reasonable limits for claims for bodily injury, property damage, in Brazil additionally pain and suffering, considering the risk-exposure of the service/Product provided and a worldwide scope.

In no event will a limit of less than a minimum coverage of five (5) million Euros per claim be considered commercially reasonable.

Product liability coverage is to include claims occurring in foreign jurisdictions, including USA/Canada.

Upon request of Continental the Supplier has to bring approval of the existence of said insurances.

2.4. Obligation to Inform

Suppliers are requested to contact Continental immediately in case of any deviations from the requirements stated in this Manual as well as any deviations from any applicable legal requirements or with the suspicion that incorrect Products were already delivered.

Suppliers have to inform Continental immediately about any change of the production process or the production location not properly authorized in writing by Continental.

3. Environmental Requirements

3.1. Environmental Compliance

Suppliers have to ensure compliance with all applicable legal environmental requirements (international, national, federal, regional, local, e.g. the Regulation (EC) No. 1907/2006 (REACH)) as well as any specific requirements of the authorities concerning environmental protection with respect to water, soil and air protection, conservation of resources, waste minimization, noise protection, flora and fauna and humans.

Continental expects its Suppliers, supplying any Continental plant in the European Union, to pre-register all required substances in time and to complete registration before end of transitional period.

The registration can be done either by Supplier himself or by a third party representative if the Supplier is located outside the European Union.

All Products delivered to Continental by the Supplier must be in full compliance with the environmental legislation of the country to which the Product is delivered.

In case Supplier withdraws a product from the market, Supplier has to inform Continental immediately.

3.2. Environmental Impacts on Air, Water, Soil and Natural Surrounding

Suppliers shall minimize emissions into air (e.g. volatile organic compounds, dust, greenhouse gases) and water (e.g. oil, particles, chemicals).

Contamination of soil, groundwater, and the natural surrounding shall be minimized (e.g. spills, leaks, incidents).

3.3. Energy and Resources

Suppliers shall make progressive improvement in environmental performance in their operations.

This includes

- integrating principles of sustainability into business decision,
- responsible use of natural resources incl. efficient use of energies,
- adoption of cleaner production and pollution prevention measures and
- designing and developing products, materials and technologies according to the principles of sustainability.

4. Logistics Requirements

4.1. Conditions of Purchase

Unless otherwise explicitly agreed in writing by Continental, the General Conditions of Purchase of Continental Aktiengesellschaft and of the Business Units of the ContiTech Division apply to all purchase orders and purchasing agreements and become an integral part of the contract once a purchase order is accepted.

Any conditions of sale enclosed with the Supplier's offer or the Supplier's confirmation of an order do not apply even if Continental does not expressly object to them.

4.2. Logistics Processes

Continental aims to optimize all processes in the entire supply chain from Suppliers to Continental and from Continental to Continental's customers in the interests of all.

To make purchasing and/or supply processes smoother and to minimize the liaison required, the purchasing and/or supply process may have to be redesigned (e.g. introduction of EDI, VMI, etc.) in order to optimize the logistics chain between Continental and the Supplier.

Continental expects active support and contribution from Suppliers to any change in the logistics processes proposed by Continental.

4.3. Electronic Data Interchange

International markets and increasing complexity of the supply chain result in an increased need for automated data exchange between Continental and Suppliers.

Through the implementation of EDI Continental and Suppliers can experience improved quality and decreased cost.

The introduction of EDI defines the business data exchange between computer systems of two or more companies and brings following benefits.

- Minimum manual data input required
- Reduction of input and verification cost
- Fewer errors and incorrect shipments
- Significantly reduced processing times

Continental aims at transmitting all order/shipment relevant data and documents electronically via Elemica and Continental encourages its Suppliers to provide all order/shipment relevant data and documents electronically.

The provisions for the electronic data interchange handling will need in each specific case to be laid down in an agreement with the Supplier ("EDI Agreement").

Such an EDI Agreement must be in accordance with the applicable law at the location of the concerned Continental plant.

4.4. Allocation of Resources

Suppliers must ensure that resources are allocated in such a way as to ensure a secure supply of Products to Continental.

4.4.1. Fluctuating Quantity Requirements

Continental's customers expect Continental to show certain flexibility and Continental expects the same flexibility of its Suppliers.

Suppliers must allocate resources, including a sufficient buffer inventory (consignment), in such a way as to take account of Continental's demand fluctuations.

4.4.2. Special Cases

The start and end of series production and the relocation of production are special cases which may require the Supplier to produce Products in advance.

In any such case, the Supplier must agree on production quantities with Continental and ensure that the required resources are available.

4.5. Dates and Quantities in Purchasing Documents

Purchasing documents, issued by Continental, inform the Supplier of Continental's current requirements. Dates and quantities stated in such documents are binding for the Supplier.

All dates and quantities stated in Continental's purchasing documents shall be deemed to have been approved by the Supplier unless an objection by the Supplier is received within three (3) working days after the issue of the purchasing document.

Any additional carriage costs (premium freight) and/or additional internal costs incurred by Continental as a result of delivery problems caused by the Supplier shall be charged to the Supplier.

The Supplier has an obligation to inform Continental about shipments with "premium freight".

4.6. Consignment

In cases where the Supplier's production site(s) is (are) not in the vicinity of Continental plant(s), Continental may implement consignment stocks in order to ensure optimized supply from the Supplier's production site(s) to Continental plant(s).

Continental may also implement Consignment Stocks for other reasons, e.g. in order to optimize the logistics chain between Continental and the Supplier (VMOI).

The provisions for the consignment handling will need in each specific case to be laid down in an agreement with the Supplier ("Consignment Stock Agreement" and/or "VMOI Agreement").

Such a Consignment Stock Agreement must be in accordance with the applicable law at the location of the concerned Continental plant.

4.7. Purchasing Specifications

For all Products, a complete purchasing specification consists of following elements.

- Material specification
- Material safety data sheet
- Packaging specification (provided by Continental or the Supplier)
- Transportation specification (provided by Continental or the Supplier)

A (frame) purchasing agreement between Continental and the Supplier is complete only when a complete purchasing specification is available and agreed upon between Continental and the Supplier.

4.7.1. Material Specification

The chemical/technical characteristics are defined in the material specification (with target values and tolerances), including the form in which the Product must be supplied.

Packaging materials that are processed together with the Product are also specified.

The Supplier is expected to sign the Material Specification for acknowledgement.

4.7.2. Material Safety Data Sheet

The Supplier has to provide the latest version of the MSDS according to the legislation of the respective country for the delivery (e.g. in Europe according to Regulation (EC) No. 1907/2006 (REACH) or ISO 11014-1).

The MSDS must be provided prior to the first delivery as well as with the delivery in case of an update of the MSDS.

MSDS shall also be provided for any type of chemical or substance which might be included in a machine, equipment, tool or utility.

The recipient of the MSDS is the delivered location and the language used in the MSDS has to be the language of the country where the material is delivered.

The Supplier is asked to store his Material Safety Data Sheets in the German database ISI (<http://www.dguv.de/bgia/isi>) and allow the responsible person at Continental the access to the database (See Attachment No.1).

For materials imported or purchased in the U.S.:

1. The Supplier certifies that all components of the Product are listed on Toxic Substances Control Act (TSCA) inventory as maintained by United States Environmental Protection Agency (US EPA)
2. Information provided in the MSDS shall meet the minimum requirements of the "Hazard Communication Standard" as promulgated at 29CFR 1910.1200

4.8. Terms of Delivery

Continental and the Supplier should agree on terms of delivery in accordance with Incoterms (latest edition) in order to avoid misunderstandings and possible litigation (e.g. in the event of damage).

The use of the Incoterms acronyms is standard practice in international trade, allowing work which could previously only be performed manually to be completed by computer systems (e.g. reports to the Federal Statistics Bureau, etc.).

Any cost incurred by reason of failure of the Supplier to comply with shipment agreements shall be borne by the Supplier.

4.9. Packaging and Transportation

In order to ensure safe handling (in accordance with accident prevention and other regulations) and smooth operations, it is essential for all Products to be packed and shipped in accordance with the requirements stated in this section.

Hazardous materials must be packed and marked in compliance with the applicable laws and regulations as amended from time to time and they must to be accompanied by the corresponding latest version of the MSDSs.

Dangerous goods are also to be packed, marked and transported in compliance with the applicable laws and regulations of the respective countries (including transit countries) as amended from time to time.

Following standard sets the basic requirements of Continental on the transportation devices used to ship Products from the Supplier to Continental.

- Packaging materials are to be reusable or recyclable.
- Packaging materials are to be without CFCs, chlorine-free, chemically inactive, groundwater neutral and nontoxic when incinerated.
- Wood can be used for packaging only if approved by Continental in writing.
In case wood packaging is agreed upon it shall be free of biocide according to the relevant legislation in the receiving country as well as all transit countries (e.g. EU Directive 98/8/EC as amended).
The use of methylbromide for treatment of wood is not permitted for delivery into the EU.

- Full metal boxes or crates are to be used for shipment of natural rubber and synthetic rubber if not otherwise agreed with Continental.
These devices have to be light weight, easy to handle, stackable and foldable (e.g. MB5 from Goodpack).
- Metal pallets are to be used for chemicals if not otherwise agreed with Continental.
Pallets used to handle big bags may be plastic, too.
- No packaging allowed, which may have adverse impacts on health, safety or import non native biota.
- Packaging materials are to be marked with recognized recycling symbols such as RESY or with material symbols such as PE.

4.10. Product Marking and Labeling

4.10.1. Packaging Unit

Each packaging unit must be marked by the Supplier with following information (high contrast, min 30 mm letter size), readable from two (2) m distance.

- Producer name (mandatory information)
- Producer product name or number (mandatory information)
- Continental product number (optional information)
- Producer lot number (mandatory information)
- Date of production (optional information)
- Quantity and unit (optional information)

In specific cases, Continental may request the Supplier additionally to mark the packaging unit with a label.

4.10.2. Shipping Unit

Each shipping unit must be labeled by the Supplier with a label including following information.

- Producer name (mandatory information)
- Producer product name or number (mandatory information)
- Continental product number (mandatory information)
- Producer lot number (mandatory information)
- Net weight and unit (mandatory information)
- Gross weight and unit (mandatory information)
- Date of production (optional information)
- Number of packages (optional information)

Labels must be positioned horizontally and to be sufficiently robust to ensure that they remain in the specified position for the shelf life of the Product.

In applicable cases (e.g. cartons, pallets, etc.), two (2) labels must be used, one (1) on the short side and one (1) on the long side of the packaging.

Any fasteners used for a label must not impair its legibility and any old labels must be removed prior to shipment.

For an example of an optimal solution, refer to Elemica (https://portal.rubbernetwork.com/html/biz_proc/).

4.10.3. Health and Safety Labels

Hazardous symbols (pictograms) as well as other legally required hazardous warning information must be clearly visibly and permanently attached to the individual packaging as well as on the outer packing of shipping units. They shall comply with the specific legal requirements of the country to which the material is consigned.

Suppliers shall comply with CE labeling requirements.
Unless otherwise agreed, the CE symbol must be affixed to items in a clearly visible position.
The declaration of conformity and the hazard analysis must accompany all items.

4.11. Shipment Documents

The Supplier must hand over all shipping documents (delivery note, bill of lading, customs declaration, etc.) for a shipment to the carrier along with the Products being shipped.

In the case of packages delivered by postal or parcel services, shipping documents may be attached to the outside of the package.

4.11.1. Delivery Note

The dangerous goods classification according to applicable laws and regulations must appear on the delivery note.

Each shipment must be accompanied by a delivery note with following information.

- Document number (mandatory header level information)
- Date of issue (mandatory header level information)
- Continental receiving location name and address (mandatory header level information)
- Supplier's shipping location name and address (mandatory header level information)
- Quantity and type of shipping units (mandatory header level information)
- Gross weight and unit in metric unit of measurement (mandatory header level information)
- Net weight and unit in metric unit of measurement (mandatory header level information)
- Supplier's contact person name and contact details at shipping location (optional header level information)
- Continental purchase order and line item number (mandatory item level information)
- Supplier's material number and material description (mandatory item level information)
- Continental material number and material description (optional item level information)
- Supplier's order and line item number (optional item level information)
- Supplier's lot number (mandatory lot level information)
- Date of production (mandatory lot level information)
- Lot quantity and unit in metric unit of measurement (mandatory lot level information)
- Quantity and unit of packaging units (optional lot level information)

For an example of an optimal solution, refer to Elemica (https://portal.rubbernetwork.com/html/biz_proc/).

4.11.2. Additional Shipment Information and Documents

Additional shipment information (e.g. ASN) and documents (e.g. certificates, invoices, etc.) may be required in special cases and the Supplier must collect corresponding information from Continental and the competent authorities in the country of the Supplier.

4.12. Customs

The Supplier must complete forms and give the declarations of the origin of the Products as required by customs regulations in the country of concerned Continental plant.

By doing so, the maximum custom preferences must be declared by Supplier.

In case of doubt, the Supplier is responsible for clarifying any unclear points with the customs authorities or chambers of commerce concerned.

The Supplier shall be liable to Continental for any cost incurred by Continental by reason of delay in any declaration, or the failure to submit a binding declaration, or the failure to obtain a preferred customs declaration.

4.13. Invoicing

Continental aims at reducing paper based invoicing procedures by introducing electronic invoice processing and/or as a part of the EDI, "Self-invoicing".

The provisions for the electronic invoicing procedure and the "Self-invoicing" will need in each specific case be laid down in an agreement with the Supplier ("Invoicing Agreement").

Such an Invoicing Agreement must be in accordance with the applicable law at the location of the concerned Continental plant.

4.14. Relocation of Production Site

In order to prevent bottlenecks, the Supplier is required to give Continental at least six months advance notice of any Production relocation plans and to notify Continental of the action proposed to ensure supplies during relocation.

4.15. Obligations in Emergencies

The Supplier is required to draw up and distribute within its organization an emergency plan for the eventuality of disturbances affecting its logistics and/or production processes and the continuous supply of Products to Continental.

Disturbances may include, for example

- relocation of tools and machinery,
- capacity problems,
- damage or delays in shipment,
- non-conformities,
- tool breakage,
- disturbances in supplies from subcontractors,
- computer problems and
- other events (strikes, accidents, etc.).

The Supplier is required to develop, define and implement emergency procedures to ensure smooth supplies to Continental even in the event of such disturbances.

In the event of any of the disturbances listed above, the Supplier must promptly notify Continental in order to ensure timely, effective liaison and adequate supplies to Continental.

Suppliers are required to designate contact persons who shall be available at all times (i.e. also at weekends and outside normal business hours) to deal with emergencies such as quality problems with the Products supplied causing imminent production hold-ups at Continental.

Suppliers must notify Continental of the names of these contacts.

4.16. Supplier Rating

Continental rates its Suppliers regularly.

Continental's supplier rating gives Continental and the Supplier an overview of the Supplier's performance on the basis of general, standardized performance indicators.

The Supplier rating allows so the identification of possible improvement actions and is a basis for a continuous improvement of the Supplier's performance.

The results from the Supplier rating are one criterion for Continental's consideration of the future development of the business relation with the Supplier.

Continental expects Suppliers to distribute the results of the Supplier rating to all involved members of Suppliers' staff and to take appropriate actions to improve the performance.

4.17. Continuous Improvement

A continuous improvement philosophy should permeate all of Suppliers' processes, systems and Products.

To be effective, an improvement strategy must have a tactical as well as an operational element. The tactical or strategic element must be long range, sustained and focused on those key processes which provide value-added substance to the company's objectives, including customer satisfaction. The operational element must be specific and measurable, i.e. performance requirements, goals and targets, results needed, where and when.

5. Acceptance of Binding Obligation

This Manual shall be deemed accepted by Supplier's commencement of performance, provision of services, shipment of products, or other indication of agreement, whichever occurs first, and shall constitute acceptance of this Manual and all of its terms and conditions.

This Manual, in addition to any terms and conditions contained in (i) any of Continental's purchase orders, (ii) any of Continental's requests for quotes or bids, and (iii) a contract with a Supplier signed by an officer of Continental, (collectively, with the Manual, the "Agreement") constitute the entire agreement between Continental and Supplier and specifically supersede all prior or contemporaneous agreements, arrangements, representations and communications whether oral or written regarding its subject matter, including, without limitation, quotations, proposals, or bids.

Continental hereby objects to any terms proposed by a Supplier in either a Supplier's quotation, or acceptance or acknowledgment of a Continental offer or purchase order, which add to, vary from, or conflict with the terms of the Agreement.

Any such proposed terms shall not operate as a rejection of a Continental offer or purchase order, but are deemed a material alteration, and such offer or purchase order shall be deemed accepted by the Supplier without said additional, different or conflicting terms.

If this Manual or the Agreement is deemed under applicable law to be an acceptance of a prior offer by Supplier, such acceptance is limited to and expressly conditioned on Supplier's assent to the terms contained within this Manual.

This Manual may be modified only in a writing signed by a Continental officer.

Attachment No.1

BGIA - Institute for Occupational Safety and Health

ISi - Information System for Material Safety Data Sheets

We

Company : _____

Contact Person : _____

Phone/Email : _____

allow the below listed user the online-access for using the published updated Material Safety Data Sheets by ISI-Database

This permit is revocable anytime.

Company : Continental AG _____

Department : Gefahrstoffmanagement / Industriehygiene _____

Address : Postfach 169 _____

: 30001 Hannover _____

Name / First name : Bertram, Christine _____

Office phone : +49 511 938-59516 _____

Email : christine.bertram@conti.de _____

(Place / Date)

(Stamp / Signature)

Please send the permit to:

BGIA

Att: Dr. Ute Kringel

Alte Heerstr. 111

DE-53757 St. Augustin

Phone: +4922412312740 Fax: -2234

Email: ute.kringel@dguv.de