

General Terms and Conditions of Business of Otto Kuhlmann Automotive System-Parts GmbH (Status as at 13.10.2011)

§ 1 Sphere of validity

(1) These terms and conditions of supply shall only apply for business-owners, legal entities created under public law or public-law special funds within the meaning of § 310 Paragraph 1 of the German Civil Code [BGB]. We shall only recognise a Buyer's terms and conditions differing from, or contrary to, our terms and conditions of supply if we have expressly agreed to them in writing.

(2) These terms and conditions of supply shall also apply for all future transactions with the Buyer.

§ 2 Offer and conclusion of contract

(1) Provided that an order is to be regarded as an offer to enter into a purchase contract in accordance with § 145 of the German Civil Code [BGB], we may accept it within two weeks. It shall be the date on which the offer is received and the date our acceptance is received that shall determine compliance with the above period of time.

(2) We shall abide by our offer for two weeks. The offers may be accepted within this period of time. It shall be the date of the offer and the date on which acceptance is received which shall determine compliance with the above period of time.

§ 3 Documents handed over

We shall retain title and copyright to all documents, such as, for example, calculations, drawings etc. handed over to the Buyer in connection with the placement of the order. Third parties must not be allowed access to these documents unless we grant the Buyer our express written consent thereto. In so far as we do not accept the Buyer's offer within a period of time stated in § 2, these documents are to be returned to us without undue delay.

§ 4 Prices and Payment

(1) Provided that nothing is agreed to the contrary in writing, our prices shall apply ex works Herner (EXW Incoterms 2000) excluding packing, and plus value added tax at the rate in force at that time and in Euro. The costs of packing shall be invoiced separately.

(2) The purchase price must always be paid to the account stated in the invoice.

(3) Provided that no agreement has been made otherwise, the invoice must be paid within 10 days from delivery and date of invoice to qualify for a prompt payment discount of 2% or otherwise in full within 14 days from delivery and the date of invoice.

(4) We shall reserve the right to make reasonable price amendments on account of changes in the cost of labour, material and sales for deliveries made 3 months or later after the contract has been signed, provided that no fixed price agreements have been made.

§ 5 Offsetting and Rights of retention

The Buyer shall only be entitled to exercise the right to offset if his counter-claims have been judicially adjudicated, or are uncontested. Given this, the Buyer shall only be authorised to exercise a right of retention if his counter-claim is based upon the same contractual relationship.

§ 6 Delivery period

(1) The delivery period quoted by us shall only start subject to the Buyer having fulfilled his obligations on time and properly. We shall reserve the right to raise the objection that the contract has not been fulfilled.

(2) It shall be the date on which the contract was concluded which shall determine when the delivery period begins.

(3) If the Buyer finds himself in default with taking delivery of the goods or if he breaches other obligations to co-operate through negligence, we shall consequently be entitled to demand the damages we have consequently incurred as a result including the reimbursement of any additional expenditure we may have incurred. We shall reserve the right to assert additional claims. In so far as the above preconditions have been satisfied, the risk of accidental loss or accidental deterioration of the purchased thing shall pass over to the Buyer at that point in time at which he is in default with taking delivery of the goods or making payment.

(4) A fixed-date commercial transaction (§ 376 of the German Commercial Code [HGB]) or a fixed-date transaction will exist provided that this has been specifically stated in the agreements.

(5) We shall also be entitled to deliver part consignments and to supply early to a reasonable extent.

(6) The Buyer's other statutory claims and rights on account of default in delivery shall not be adversely affected.

§ 7 Passing of risk upon dispatch

If the goods are sent to the Buyer at his request, the risk of accidental loss or accidental deterioration shall consequently pass over to the Buyer upon dispatch and no later than when the goods leave the works / stores. This shall apply regardless of whether the goods are dispatched from the place of fulfilment or otherwise or regardless of which Party pays the freight charges.

§ 8 Reservation of title

(1) We shall reserve title to the supplied thing until payment has been made in full including the payment of all accounts created by the supply contract. This shall also apply for all future consignments, even if we do not always make this explicitly clear. We are entitled to take back the purchased thing if the Buyer is in breach of contract.

(2) The Buyer is obliged to handle the purchased thing with care as long as title has not yet passed over to him.

(3) As long as title has not yet passed over, the Buyer shall have to notify us without undue delay in writing if the supplied item has been taken in execution or is otherwise exposed to third party interference. In so far as the third party is not in a position to reimburse us for the court costs and other costs of taking legal action in accordance with § 771 of the German Code of Civil Procedure [ZPO], the Buyer shall be liable for the shortfall we incur.

(4) The Buyer shall be entitled to resell the goods subject to reservation of title in a normal commercial transaction. The Buyer assigns his accounts created by the resale of the goods subject to reservation of title to us here and now for the amount of the final invoiced amount agreed with us (including value added tax). This assignment shall apply regardless of whether the subject-matter of the contract has been resold with or without having been processed. The Buyer shall continue to be authorised to collect the account even after it has been assigned to us. Our authority to collect the account shall not be affected by this. We shall however not collect the account for as long as the Buyer fulfils his payment obligations from the collected proceeds and does not fall into arrears with making his payments to us and in particular an application is not made to instigate insolvency proceedings on his assets or he stops making his payments.

(5) The treatment and processing or reshaping the subject-matter of the contract by the Buyer shall always be carried out in his own name on our behalf. In this case the Buyer shall continue to have an expectant right to the subject-matter of the contract in the transformed thing. In so far as the subject-matter of the invoice is processed together with other items not belonging to us, we shall acquire co-ownership to the new thing in proportion to the objective value of our subject-matter of the contract to the other processed items at the point in time of processing. The same shall apply in the event that the items belonging to us are combined with items not belonging to us. Provided that the combining

takes place in such a manner so that the Buyer's thing is to be regarded as the main thing, it shall be regarded as having been agreed that the Buyer shall assign proportionate co-ownership to us and keep the sole ownership or co-ownership created in this way for us in safe-keeping. To secure our claims against the Buyer, the Buyer shall also assign to us those accounts accruing to him against a third party as a result of the goods subject to reservation of title being connected with property. We shall accept this assignment here and now.

(6) At the Buyer's request we shall undertake to release the securities to which we are entitled, to the extent that their value exceeds the accounts to be secured by more than 20%.

§ 9 Warranty and Notification of defects as well as Recourse / Recourse against the Manufacturer / Manufacturer's recourse

(1) The Buyer's warranty rights presuppose that he has complied with his duties of inspection and notification of defects incumbent upon him properly in accordance with § 377 of the German Commercial Code [HGB].

(2) Claims under warranty shall become time-barred 12 months from the delivery of goods by us to our buyer. The above provisions shall not apply in so far as the law makes provision for lengthier and compulsory periods of time in accordance with § 438 Para 1 No. 2 of the German Civil Code [BGB] (Buildings and things for buildings), § 479 Para 1 of the German Civil Code [BGB] (Right to recourse) and § 634a Para 1 of the German Civil Code [BGB] (Building defects). Our consent is to be obtained before returning any goods.

(3) Should, in spite of all the care exercised, a defect be identified in the supplied goods, and the defect already existed at the point in time at which risk passed over, we shall, as we choose, carry out a repair or supply replacement goods subject to the defect being notified to us on time. We are always to be allowed an opportunity to effect cure within a reasonable period of time. Rights of recourse shall not be curtailed and affected by the above arrangement

(4) If the cure is unsuccessful, the Buyer may, irrespective of any compensation claims for damages to which he may be entitled, withdraw from the contract or reduce the remuneration.

(5) Claims under warranty shall not exist if there is only a minor discrepancy from the agreed condition, if the fitness for use is only impaired to a minor extent, for normal wear and tear as well as for damage incurred after risk has passed over to the Buyer as a result of incorrect or negligent handling, excessive loads, unsuitable working materials, faulty building work, unsuitable foundations or as a result of specific external factors not assumed by the contract. If repair work or modifications are carried out improperly by the Buyer or third parties, claims based on them and likewise on the consequences of them shall not be covered by warranty.

(6) The Buyer's claims on account of the expenditure required for the purpose of effecting a cure, in particular transport, travelling expenses and the cost of labour and materials shall not be accepted, in so far as the expenditure has been increased because the goods supplied by us have been subsequently removed to a location other than the Buyer's premises, unless they have been removed for the purposes for which they were purchased.

(7) The Buyer's rights of recourse against us shall only exist to the extent that the Buyer has not entered into any agreements with his buyer over and above warranty claims stipulated by law as being compulsory. Moreover, Paragraph 6 shall apply accordingly with regard to the scope of the Buyer's rights of recourse against the Seller.

§ 10 Miscellaneous

(1) This contract and all the legal relationships between the Parties shall be governed by the law of the Federal Republic of Germany with the exception of the UN-law on sales (CISG).

(2) The place of fulfilment and the sole place of jurisdiction for all disputes arising from this contract shall be our principal place of business, unless the order confirmation states otherwise.

(3) All agreements made between the Parties for the purposes of carrying out this contract are laid down in writing in this contract.

(4) Should individual provisions in this contract be or become invalid or should they contain a gap, the remaining provisions of this contract shall not be affected as a result. The Parties shall undertake to replace the invalid arrangement with an arrangement allowed by law which comes closest to the economic objective of the invalid arrangement or fills this gap.