

# General Terms and Conditions

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## I. Determining Conditions

The legal relationship between supplier and purchaser shall be determined by the following conditions and any additional terms agreed between the contracting parties, if any. Changes and amendments to these conditions have to be made in writing. Any other general terms and conditions shall not be applicable, even if they were not rejected explicitly in any individual case.

## II. Orders

1. Supply contracts (order and acceptance of such order) and delivery releases as well as any changes and amendments thereof have to be made in writing. Delivery releases may also be issued by telecommunication.
2. In case the supplier does not accept the order within two weeks of its receipt, the purchaser shall have the right to revoke such order. Any delivery release shall become binding if the supplier does not reject such material release within two weeks of its receipt. Releases should not be changed by the purchaser in the last two weeks before shipping date. Between week 3 and week 8 before shipping date a variation of max. 20 % is acceptable.
3. To the extent it is reasonably acceptable to the supplier, the purchaser may demand changes to be made to the goods relating to design and process. In this case the consequences, especially with respect to additional costs or reduction of costs, as well as with respect to delivery dates, are to be resolved in an appropriate and mutually agreeable manner.

## III. Payment

1. Payment is to be made as agreed. In case of premature shipments, payment will be made according to the agreed delivery date.
2. Payment shall be made by bank transfer or by check.
3. In case of defective deliveries, the purchaser shall be entitled to withhold payment pro rata to the value until the defective goods have been replaced.
4. Without previous written consent of the purchaser, which shall not be unreasonably withheld, the supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties. In the event of an extended retention of title, agreement to resale is assumed to have been given.  
Even if the supplier assigns his receivable against the purchaser contrary to the first sentence of paragraph 4 to a third party without the consent of the purchaser, the assignment remains valid. Regardless of the assignment the purchaser may choose whether payment is made to the supplier or the third party.

## IV. Notification of Deficiencies

The purchaser shall notify the supplier in writing about any deficiencies of a shipment as soon as such deficiencies have been discovered in the course of an orderly business practice. In case the purchaser complies with the afore-stated condition the supplier hereby waives his right to reject delayed notification of deficiency.

## V. Confidentiality

1. The contracting parties commit themselves to deem as business secrets all commercial and technical details which come to their knowledge during the course of their business relationship unless such details are public.
2. Drawings, models, patterns, samples and similar objects shall not be made available or otherwise be made accessible to unauthorized third parties. Reproduction of such objects is permitted only according to business requirements or in compliance with the laws on copyright.
3. Subsuppliers shall be made to commit themselves accordingly.
4. Each contracting party may use the established business

relationship for advertising purposes only after having obtained previous written consent from the other party.

## VI. Delivery dates and time limits

Agreed delivery dates and time limits are binding. Compliance with such dates or time limits shall be determined by the day of arrival of the goods to be supplied at the purchaser. Unless "ex works" has been agreed, the supplier shall make the goods available in time taking into consideration the time usually necessary for loading and shipment.

## VII. Delay

1. The supplier shall be committed to compensate the purchaser for all damages caused by delay. There shall be no right of recovery for loss of profit and damages resulting from interruption of business.
2. Damages shall be limited to additional freight costs and additional assembly costs or to the additional costs resulting from purchases from alternative sources in the event the supplier fails to meet an extended term or if the purchaser's interest in the delivery has become frustrated.

## VIII. Force majeure

In case of Act of God, labour disputes, civil commotion, governmental or official actions and other non-foreseeable, inescapable and serious events the contracting parties shall be temporarily relieved from their obligations during the period of time such events continue and to the extent their liabilities are affected. The afore-stated shall also be applicable in case the contracting party concerned is already in default. The contracting parties are committed to give each other the necessary information which may reasonably be expected without delay, and to adjust their obligations in good faith to the changed circumstances.

## IX. Quality and Documentation

1. Concerning his deliveries the supplier shall comply with the acknowledged standards of engineering, the safety regulations and the agreed technical data. Changes to the goods to be delivered are subject to the previous written consent of the purchaser.  
The afore-stated the supplier shall permanently control the quality of the goods delivered.  
The contracting parties shall inform each other of the possibilities of improving the quality of the goods to be delivered.
2. In the event the kind and extent of testing, as well as the instruments and testing methods, are not agreed between the supplier and the purchaser, the purchaser shall, if the supplier so desires, agree to discuss the testing with the supplier pursuant to his Know-how, experiences and possibilities in order to find out the requisite state of testing techniques in the case being considered. In addition, the purchaser shall, upon request, inform the supplier about the applicable safety regulations.
3. Concerning the parts especially marked in the technical documentation or designated by separate agreement, for instance with "D", the supplier is, moreover, required to keep special records as to when, in what manner and by whom the supplied goods have been tested with regard to the characteristics required to be recorded and which results were achieved by the quality tests so required. The test records have to be kept for ten years and have to be presented to the purchaser in case of need. The supplier is required to obligate any sub-suppliers to the same extent if legally possible
4. In the event any authorities responsible for vehicle safety, emissions standards and the like, demand inspection of the manufacturing process and disclosure of the test records of the purchaser, to scrutinize certain requirements, the supplier shall, upon request of the purchaser, concede to

such authorities the rights which they have with regard to the purchaser and provide them with the support which may reasonably be expected.

#### **X. Industrial Property Rights**

1. The Supplier shall be liable for any claim which, by the use of goods according to the terms of the contract, result from the infringement of industrial property rights, either granted or applied for (industrial property rights), if at least one of such industrial property rights of the same industrial property rights family being published either in the supplier's mother country, by the European Patent Office or in either the Federal Republic of Germany, France, Great Britain, Austria or the United States of America.
2. The supplier shall hold the purchaser and his purchaser's customers free and harmless of all liabilities resulting from making use of such industrial property rights.
3. The afore-stated shall not apply inasmuch as the supplier has manufactured the goods to be delivered according to drawings, models or similar other descriptions or statements provided by the purchaser and if, at the same time, the supplier does not know or, in connection with the products developed by him, was unable to know that industrial property rights were infringed.
4. To the extent the supplier is not liable pursuant to paragraph 3 above, the purchaser shall hold him free and harmless of all claims brought by third parties.
5. The contracting parties commit themselves to inform each other on all risks of violation or alleged violations and to give each other the opportunity to jointly oppose such claims.
6. At the request of the purchaser the supplier shall inform the purchaser about the use of any published or unpublished industrial property rights which are owned by him or licensed to him relating to the goods to be delivered.
7. The principles contained in article VII paragraph 1 concerning restriction of liability shall be applicable accordingly.

#### **XI. Use of production devices and confidential information made available by the purchaser**

Models, matrixes, patterns, samples, tools and other manufacturing devices as well as confidential information provided to the supplier by the purchaser or paid for by him in full, may be used for supplies to third parties only after having obtained the previous written consent of the purchaser.

#### **XII. Retention of Title**

The supplier retains ownership of all goods supplied by him until it has been paid for in full; in this regard all shipments shall be considered as part of one continuous supply transaction. In case of continuous invoicing the retained ownership shall be deemed to secure the balance of the supplier's accounts receivable.

If the purchaser combines the goods delivered with other goods to form a unit and if the other goods are being considered the main constituent, then the purchaser shall be committed to assign partial ownership to the supplier to the extent the main unit belongs to him. In case the purchaser resells the goods delivered according to the terms of the contract, he herewith assigns to the supplier all claims against his customer including any ancillary rights until all of the supplier's demands are completely settled.

If there is a valid reason the purchaser, at the request of the supplier, shall inform the third-party-purchaser about the assignment and he shall provide the supplier with all information and documents necessary to assert his rights.

The supplier shall release the securities held by him to the extent their value exceeds 20 % of the claim to be secured.

#### **XIII. General Provisions**

1. The amount of damages to be paid by the supplier according to articles VII, X, XI, and XII shall be determined by having, adequately in favour of the supplier, due regard to the economic situation of the supplier, nature, scope, and duration of the business relationship, possible causative or

responsible contributions by the purchaser according to Mexican law, and a particularly disadvantageous situation of installation of the part supplied.

Especially damages, costs and expenditures which shall be paid by the supplier shouldn't be more than 20% of the value of the concerning parts being delivered per year and not more than 5 times the value of the parts that are in dispute.

2. In the event one of the contracting parties ceases payment, or insolvency or non-judicial settlement proceedings are applied for, then the other party shall be entitled to rescind the contract with respect to the part not yet fulfilled.

3. Should one of the provisions of these conditions or of any additional stipulations agreed upon be or become invalid then the validity of the remaining part of these conditions shall not be affected thereby. The contracting parties are committed to replace the invalid provision by another – with respect to the commercial effect - equivalent provision, in so far as this is possible.

4. If the parties have not agreed otherwise the laws of Mexico shall exclusively apply.

5. Place of performance shall be the legal domicile of the purchaser. Concerning the shipments the parties may agree otherwise.