

**Conditions of Purchase of KAMEI GmbH & Co. KG,
Heinrichswinkel 2, D-38448 Wolfsburg
Version 01.04.08**

I. Key Conditions

The legal relationships between the supplier and KAMEI GmbH & Co. KG (KAMEI) are based on these conditions and on any other agreements. Alterations and additions must be made in writing. No other General Terms and Conditions of Business shall apply, even if they have not been expressly rejected in a particular case.

II. Ordering

1. Supply contracts (order and acceptance) and call-offs, as well as any alterations and additions thereto, must be in writing. Call-offs may also be made electronically.
2. If the supplier does not accept the order within three weeks of receipt, KAMEI shall be entitled to cancel. Call-offs shall become binding no later than if the supplier does not contest them within two weeks of receipt.
3. Insofar as is reasonable for the supplier, KAMEI may demand changes to the delivery items in terms of design and completion. In so doing, the effects thereof shall be mutually agreed in an appropriate manner, in particular as regards additional and reduced costs and delivery times.

III. Payment

1. Payment shall be made within 14 days less a 3% discount. If deliveries are accepted ahead of schedule, the due date shall be based on the due date according to the agreed delivery date.
2. Payment shall be made by transfer or cheque.
3. If a delivery is incorrect, KAMEI shall be entitled to withhold payment pro rata to the value until the order is met in full.
4. The supplier is not permitted, without KAMEI's prior, written consent, which may not be unreasonably withheld, to assign its claims against KAMEI or to have them collected by third parties. Consent shall be deemed to have been given in the event of extended reservation of title.

If the supplier, contrary to clause 1, assigns its claims against KAMEI to a third party without its consent, the assignment shall nevertheless be valid. KAMEI can, however, at its discretion, make payment to the supplier or the third party, with the effect of discharging the debt.

IV. Notification of defects

KAMEI shall report any defects in the delivery to the supplier in writing immediately, as soon as they are discovered in the ordinary course of business. To this extent the supplier waives the right to claim delayed reporting of defects.

V. Confidentiality

1. The parties undertake to treat as confidential all non-public commercial and technical information of which they become aware in the course of their business dealings.
2. Drawings, models, templates, samples and similar items must not be given or otherwise made accessible to unauthorised third parties. Copies may be made of such items only to the extent necessary for operations and subject to copyright.
3. Corresponding duties shall be imposed on subcontractors.
4. The parties are permitted to use their business relationship for advertising only with the other party's prior, written consent.

VI. Delivery dates and deadlines

Agreed dates and deadlines are binding. The key for compliance with the delivery date or deadline is when the goods are received at KAMEI's premises. If delivery is not agreed "delivered to factory", the supplier shall make the goods available in good time taking into account the usual time for loading and despatch.

VII. Delayed delivery

1. The supplier shall compensate KAMEI for loss resulting from the delay. This does not apply to loss of profit and losses arising out of interruption to the business.
2. In the event of minor negligence, compensation is limited to additional freight charges, retrofitting costs and, after an extended deadline has been set to no avail or if interest in the delivery ceases to exist, to the additional cost of making covering purchases.

VIII. Force majeure

Force majeure, labour disputes, unrest, measures by the authorities and other unforeseeable, unavoidable and serious events shall relieve the parties from their obligations for the period of the disruption and to the extent of the effects thereof. This also applies if these events occur at a time when the party affected is in default. The parties shall provide the necessary information as soon as is reasonably possible and shall adapt their obligations to the changed circumstances in good faith.

IX. Quality and documentation

1. The supplier shall comply with the generally accepted codes of practice, safety regulations and agreed technical data. Any changes to the delivery items shall require KAMEI's prior, written consent. Irrespective of this, the supplier shall constantly check the quality of the delivery items. The parties shall inform each other about the possibilities for improving quality.
2. If the nature and extent of the tests, testing devices and testing methods have not been definitively agreed between the supplier and KAMEI, KAMEI is prepared, at the supplier's request, within the limits of its knowledge, experience and possibilities, to discuss the tests with the supplier in order to ascertain the necessary standard of testing technology. Furthermore, if so requested KAMEI shall inform the supplier about the relevant safety regulations.
3. In the case of vehicle parts specially highlighted in the technical documentation or by special agreement, e.g. with the letter "D", the supplier must also set out in special records when, how and by whom the delivery items have been tested for the characteristics required in the documentation and what the results of the required quality tests were. The testing documentation shall be retained for ten years and submitted to KAMEI if required. Insofar as is permitted by law, the supplier shall bind upstream suppliers to the same extent.
4. Where authorities responsible for vehicle safety, exhaust gas specifications and the like demand to inspect KAMEI's production procedures and testing documentation in order to verify certain requirements, the supplier shall, if so requested by KAMEI, grant them the same rights at its factory and provide all reasonable assistance.

X. Liability for defects

1. If defective goods are delivered, KAMEI may, if the relevant statutory criteria and the conditions set out below are met and unless agreed

otherwise, demand the following:

a) Before starting production (work or installation), KAMEI shall first give the supplier the opportunity to pick out the defective goods and to rectify the defect or provide alternative (replacement) delivery, unless it is unreasonable to expect KAMEI to do so. If the supplier is unable to do this or does not do so promptly, KAMEI may withdraw from the contract without setting any further deadline and return the goods at the supplier's risk. In urgent cases KAMEI may, with the supplier's consent, rectify the defect itself or have it carried out by a third party. The costs resulting therefrom shall be borne by the supplier. If the same goods are supplied with defects again, KAMEI shall, following a further delivery of defective goods after a written warning has been issued, be entitled to cancel the contract in respect of the unfulfilled performance.

b) If, in spite of complying with the duty under Section IV (reporting defects), the error is not discovered until after production has started, KAMEI may,

- pursuant to section 439 (1), (3) and (4) BGB, demand alternative performance and reimbursement of the transport costs (excluding towing costs) required for alternative performance, together with the cost of dismantling and installation (cost of work; cost of materials where agreed) or reduce the purchase price.

c) In the event of a negligent breach of duty which goes beyond supplying defective goods (e.g. in the event of a duty to clarify, advise or investigate), KAMEI may demand compensation for the consequential loss resulting therefrom and for the consequential loss of KAMEI's client which KAMEI has made good pursuant to the law in accordance with Section XI. Consequential loss is the loss which KAMEI has suffered as a result of the supply of defective goods to legally protected goods other than the goods themselves. KAMEI is only entitled to make further claims for the payment of expenses and damages arising out of the supply of defective goods arising out of section 437 BGB or directly out of the provisions stated therein, where this is contractually agreed. Section XV point 1 must be complied with if new agreements are entered into.

2. KAMEI shall provide the supplier with the parts to be replaced by it immediately upon request and at the supplier's expense.

3. Claims arising out of liability for defects shall expire 24 months after the vehicle is first registered or the spare parts are fitted, but not later than 30 months after delivery to KAMEI.

4. Claims for defects do not arise if the fault is attributable to a breach of the operating, servicing and installation instructions, inappropriate or improper use, incorrect or careless actions and natural wear and tear, or work carried out by KAMEI or third parties on the delivery items.

5. In the event of defective supplies, claims by KAMEI arising out of the product liability act, unauthorised actions and agency without specific authorisation shall not be affected by this Section X. Guarantees of quality and durability must be expressly described as such in detail in writing.

XI. Liability

Unless stated otherwise regarding liability elsewhere in these conditions, the supplier shall only be liable as stated below to make good the loss which KAMEI suffers directly or indirectly as a result of defective delivery, breach of official safety regulations or any other legal grounds attributable to the supplier.

1. As a general rule the duty to make good the loss exists only if the supplier is negligent with regard to the loss caused by it.

2. If a claim is made against KAMEI on the basis of no-fault liability to third parties under non-negotiable law, the supplier shall be liable to KAMEI only to the same extent as it would also be directly liable. The principles of section 254 BGB shall apply accordingly to the settlement of the loss between KAMEI and the supplier. This also applies in the event of a direct claim against the supplier.

3. No duty to provide compensation exists where KAMEI has, for its part, validly restricted its liability with regard to its customer. In so doing, KAMEI shall ensure that limitations on liability are also agreed to the benefit of the supplier insofar as this is legally permissible.

4. Claims by KAMEI are not permitted where the loss is caused by breaches of operating, servicing and installation instructions, inappropriate or improper use, incorrect or careless actions and natural wear and tear or defective repairs attributable to KAMEI.

5. In the case of measures taken by KAMEI to minimise the loss (e.g. product recalls), the supplier shall be liable insofar as it is legally obliged to be so.

6. If KAMEI wishes to claim against the supplier in accordance with the above, it shall inform and consult the supplier promptly and fully. It shall give the supplier the opportunity to investigate the loss occurrence. The parties shall discuss and agree on the measures to be taken, in particular in the case of negotiated settlements.

7. The principles set out in Section VII point 1 shall be applied accordingly where the supplier has no or inadequate insurance.

XII. Intellectual property rights

1. The supplier shall be liable for claims occurring during use of the delivery items in accordance with the contract, arising out of infringement of intellectual property rights and intellectual property rights applications (intellectual property rights), of which at least one from the family of intellectual property rights is published in the supplier's own country, by the European Patent Office or in Germany, France, Great Britain, Austria or the USA.

2. The supplier shall indemnify KAMEI and its customers against all claims arising out of the use of such intellectual property rights.

3. This does not apply where the supplier has manufactured the delivery items in accordance with drawings, models or other equivalent descriptions or details provided to it by KAMEI and does not know or, in connection with the products developed by it, cannot be expected to know, that intellectual property rights are infringed as a result.

4. Where the supplier is not liable under point 3, KAMEI shall indemnify it against all third party claims.

5. The parties undertake to inform each other of all risks of infringement and alleged cases of infringement of which they become aware and to give each other the opportunity of making corresponding counterclaims by mutual consent.

6. The supplier shall, if so requested by KAMEI, provide information about the use of its own and licensed published and unpublished intellectual property rights and intellectual property rights applications relating to the subject matter of supply.

7. The principles contained in Section VII point 1 on the limitation of liability shall apply accordingly.

Use of KAMEI's production tools and confidential information

Models, dies, templates, samples, tools and other production tools, as well as confidential information made available by KAMEI to the supplier or paid for by it in full, may only be used for supplies to third parties with KAMEI's prior, written consent.

XIII. Reservation of title

The supplier shall reserve title to all goods provided by it until paid for in full; to this end, all supplies shall be treated as a single supply transaction. In the case of invoicing on an on-going basis, reservation of title shall act as security for payment of the balance due.

If the goods are combined by KAMEI with other goods to make a uniform item of property and if this other item of property can be seen as a main item, KAMEI is obliged to transfer joint title to the supplier pro rata insofar as the main item belongs to it. If KAMEI sells on the goods provided in the proper manner, it shall here and now assign the rights against its customer arising out of the sale and all ancillary rights to the supplier, until the latter's claims have been met in full.

If there is a valid reason to do so, KAMEI shall, at the supplier's request, disclose the assignment to third party purchasers and provide the supplier with the information and documentation necessary for it to exercise its rights.

The supplier shall release the collateral held by it as and when the value thereof exceeds claims to be secured by more than 20 % in total.

XIV. General provisions

1. When setting the amount of the claims to be met by the supplier under Sections VII, X, XI and XII, the supplier's financial situation, the nature, extent and duration of the commercial relationship, any contribution by KAMEI to causing the loss and/or any contributory negligence under section 254 BGB and any particularly unfavourable installation location of the part supplied shall be taken into account appropriately in favour of the supplier. In particular, alternative performance, costs and expenditure payable by the supplier shall be in reasonable proportion to the value of the part supplied.
2. If one of the parties suspends payments or if insolvency proceedings are commenced in respect of its assets or out-of-court arrangement proceedings are requested, the other party shall be entitled to rescind the contract in respect of the part not performed.
3. If any provision in these conditions and the other agreements entered into is or becomes invalid, the validity of the rest of the contract shall not be affected. The parties shall replace any invalid provision with a valid provision which comes as close as possible to the replaced one in terms of financial outcome.
4. The law of the Federal Republic of Germany shall be the only law which applies, unless agreed otherwise.
The United Nations Convention of 11.4.1980 on Contracts for the International Sale of Goods shall not apply.
5. The place of performance is KAMEI's registered office. Other agreements may be made regarding the supply.
6. The place of jurisdiction is where the claimant has its registered office or any other court with jurisdiction.