

General Terms and Conditions

Section 1 – General

(1) These General Terms and Conditions apply for all entities of the Tekfor Group, namely **Amtek Tekfor Holding GmbH, Neumayer Tekfor GmbH, Neumayer Tekfor Schmölln GmbH, Neumayer Tekfor Rotenburg GmbH, Tekfor S.p.A., Tekfor Inc., Tekfor Mexico S.A. de C.V., Neumayer Tekfor Automotive Brasil Ltda.**

(2) All agreements and offers are based on our General Terms and Conditions, which apply exclusively. Any divergent, conflicting or supplementary General Terms and Conditions in individual cases or any purchaser's conditions of purchase will not constitute an element of the contract - irrespective of knowledge thereof - unless we expressly accept the validity of such. This also applies where inclusion of the divergent conditions has not been expressly rejected on our part. The performance of delivery without reservation does not imply the acceptance of the Conditions of Purchase of the purchaser.

(3) Our General Terms and Conditions also apply for all future business relations with the purchaser.

(4) Our General Terms and Conditions solely apply for enterprises. Accordingly, enterprises within the meaning of these General Terms and Conditions are natural or legal persons or partnerships possessing legal capacity with whom business relations are undertaken and which are exercising a commercial or self-employed activity.

Section 2 - Offer, formation of contract, delivery

(1) In the absence of alternative agreement, all offers are non-binding and subject to change without notice.

(2) By ordering a product, the purchaser declares with binding effect its wish to purchase the goods ordered. We are entitled to accept the offer contained in the order within a period of two weeks following receipt of such. Formation of the contract will be effected by means of our written order acknowledgement or execution of the order on our part.

(3) All agreements between the purchaser and ourselves are to be documented in writing, whereby this also applies for any supplementary agreements or assurances and subsequent contract amendments. Telephone or verbal agreements and arrangements with our representatives will only first obtain legally binding effect for our part upon confirmation by us in writing. This will not apply so far as a legal representative is acting on our behalf.

(4) Delivery dates are to be observed wheresoever possible. In the absence of express alternative written agreement, delivery periods are solely agreed as approximate periods. The delivery period commences on the date the order acknowledgement is sent and will be extended by a reasonable period of time in the event of any unforeseeable hindrances that cannot be averted by us despite reasonable care and attention commensurate with the respective circumstances of the case. Such events, which also include official measures, strikes and lockouts as well as non-delivery or delayed delivery on the part of our outside suppliers, will give rise to an appropriate extension of the delivery period.

(5) Should we default in delivery, under threat of refusal to accept performance the purchaser is to afford us a reasonable additional period, whereby this additional period may not be less than 14 working days. Following expiry of this reasonable additional period without result, the purchaser may withdraw from the contract. The purchaser will not be entitled to claim compensation. If we are obliged to pay the purchaser damages for default in delivery, this will not include lost profits or losses ensuing from interruption to operations. In the event of ordinary negligence, damages for delay will be limited to additional freight costs, retrofit costs or the additional expense for covering purchases in the case of futile imposition of an additional period or discontinued interest in delivery.

(6) Should the purchaser fail to effect acceptance of the goods or fail to do so punctually for reasons occasioned by it, any resulting costs incurred on our part are to be reimbursed (for example, costs for storage). Upon expiry without result of an additional period for acceptance determined by us, we will be entitled to withdraw from the contract and assert a claim for compensation.

(7) In the event of complete or partial cancellation of orders, the purchaser agrees to accept the product ordered on its part for a period of 2 months and will also accept primary material for 4 additional months, whereby the acceptance obligation shall be commensurate with the average acceptance quantity during the last three months prior to order cancellation.

(8) At our own choice, we are entitled to fulfill orders by means part performances which may not be rejected by the purchaser provided that the remaining

parts have been performed within the agreed time of performance or the part performance rendered is not without interest for the purchaser. Each part performance forms an independent transaction in respect of a bilateral commercial sale.

(9) Over or under supplies to a level of 10% are permissible. In the case of consecutive orders, we will endeavor to balance out any unavoidable over or under supply with the next delivery in order that quantity divergences are kept to a minimum.

Section 3 – Passing of risk

(1) Deliveries are effected ex works unless specified otherwise in the order confirmation. Shipping shall take place at the risk and expense of the purchaser. This shall also apply to return shipments. The risk of accidental loss and accidental

deterioration passes to the purchaser upon completion of loading at our works. Insurance will only be concluded at the special request and cost of the purchaser.

(2) Except when agreed otherwise, packing, method of dispatch and shipping route are within our own discretion. Any transport or other disposal packaging shall not be taken back. The liability for damages in transit, transport and storage is excluded.

(3) Should consignment be delayed for reasons occasioned by the purchaser, risk will pass to the purchaser on the day of consignment readiness. We will notify the purchaser of consignment readiness by telephone or in writing.

(4) Delivered goods shall be accepted by purchaser even if the goods have essential defects, notwithstanding the rights of the purchaser according to § 5. For the purpose of safeguarding its compensation rights, any damage occurring during transit is to be documented in writing by the purchaser and countersigned by the carrier (forwarding agent, carrier etc.). The conditions of the insurance company will be definitive in terms of compensation.

Section 4 - Payment, price

(1) The prices offered are net prices plus sales tax applicable on the due date. Changes in the nature of performance require a commensurate price adjustment. Prices in foreign currency are based on the current rate of exchange at the time of acknowledgment. In the event of exchange rate changes, we are entitled to effect a corresponding price correction. Consignment costs will be invoiced additionally.

(2) In the case of long-term orders, where our total production costs, particularly for raw materials, energy, freight and/or wages, increase prior to the day of delivery, all of these additional costs will be passed on to the purchaser (100% price adjustment). The purchaser does accept these price adjustments.

(3) In the absence of separate agreements on payment, the purchaser is obliged to pay invoices within 30 days of the invoice date. Upon expiry of this period the purchaser will be in default without any requirement for additional reminder. While in default, the purchaser will pay interest on the money debt at a level of

8% above the base interest rate of the country the contracted Tekfor entity has its place of business. We reserve the right to afford evidence of and assert claims for greater damage due to default. The date of payment receipt is determined as the day upon which the equivalent value is at our disposal. Insofar as not otherwise agreed, payment is to be effected in the currency of invoice.

(4) In the event of default in payment, all outstanding accounts receivable become immediately due for payment without deduction. Should the purchaser fail to settle the agreed payments or render collateral security required of it, we will no longer be obliged to effect performance and will be availed of a right of retention.

(5) Our entire accounts receivable, including in the case of deferral of repayment, will also become due for immediate settlement wheresoever the purchaser suspends its payments, is heavily indebted, opens bankruptcy proceedings in

relation to its assets or the opening of any such proceedings is rejected due to insufficient assets, or where circumstances become known to us indicating an appropriate need to significantly reduce the purchaser's credit rating. Accordingly, under imposition of a set time limit, we may choose to require return of the goods delivered, make further deliveries subject to advance payments or collateral security and require compensation for non-performance or withdraw from the contract.

(6) We are not obliged to accept bills of exchange or checks as payment. Should such documents be accepted, this occurs on account of performance and not in place of performance. Acceptance of bills of exchange or checks will not amount to any deferment of the principal claim. Accepted bills of exchange will be discounted, with collection fees and exchange losses charged for those traded at other locations and abroad.

(7) Retention of payments from previous or other transactions within the current business relations or any offsetting with other than undisputed or judicially non-appealable receivables is precluded.

(8) Should delivery dates be postponed at the request of the purchaser, payment is nevertheless to be effected as would be the case for due delivery in accordance with the contract. In the case of large orders, one third of the purchase sum is to be paid upon placement of order.

(9) In the event we become aware of circumstances which challenge the creditworthiness of the purchaser or in the event of a substantial risk of its claim to repayment due to dwindling assets of the purchaser, or in the event the purchaser falls into arrears over the payment of a purchase price, we may request advance payment or collateral within a reasonable period and refuse performance until its request is fulfilled. In the event the purchaser refuses to render an advance payment or provide collateral or in the event the period determined has lapsed without result, we shall be entitled to withdraw from the contract in whole or in part and demand damage compensation due to non-performance.

(10) Models, tools, tooling, fixtures and other operating devices shall be invoiced separately. Such remain in our property, even if a share of the costs was beared by the purchaser.

Section 5 - Claims, warranty

(1) The purchaser must provide written notification of apparent defects, regardless of type, or any deliveries of goods or defects that are apparently other than that agreed; the assertion of a warranty claim is otherwise precluded. Written notification for hidden defects, regardless of type, or deliveries of goods or quantities that are not obviously other than that agreed, but are later discovered to be so, is required immediately following the discovery of such, however, no later than within 10 days of delivery. Where claims are not received in the due form and/or period, the goods will be deemed accepted and the assertion of a warranty claim by the purchaser is precluded. Timely dispatch of the notification will suffice as maintenance of the due period. The full burden of proof for all claim requirements is incumbent on the purchaser, particularly as regards the defect itself, the time of discovery of the defect, the punctuality of the claim notification and the existence of a defect prior to passing of risk.

(2) If goods are defective, do not comply with the delivery note or are damaged as a result of manufacturing or material defects within the warranty period, we will fulfill our warranty within a suitable period of time through remedy or replacement delivery as we so choose. Where partial quantities are defective, any remedial action on the part of the purchaser in terms of defects (for example, sorting out defective items and the resulting costs) will only be possible provided the method of such has been previously agreed with us. The purchaser may withdraw from the contract or reduce the purchase price where a suitable period for remedy has been granted and has then expired and our attempt to fulfill our warranty through remedy or replacement delivery has proven conclusively unsuccessful. We assume liability for replacement deliveries/remedial action to the same extent as for the original delivery item. Where the purchaser chooses to withdraw from the contract as a result of a defect and unsuccessful subsequent performance, the purchaser will not be entitled to claim for damages in relation to the defect. Where the purchaser opts for compensation in damages following unsuccessful subsequent performance, the goods will remain at the purchaser insofar as reasonable for it. Compensation in damages in such cases is limited to the difference between the purchase price and value of the defective item. This compensation in damages is limited to a maximum amount of EUR 5,000,000. This will not apply where the infringement of contract results from willful deceit on our part.

(3) Claims for defects are precluded where faults arise from the infringement of operational, maintenance-related or installation instructions, unsuitable or incorrect use by the customer, normal wear and tear, or interference with the delivered goods on the part of the purchaser or third parties.

(4) The purchaser is liable for contributory negligence and the contributory negligence of a vicarious agent.

(5) Insofar as not otherwise expressly agreed or a longer warranty period is mandatory statutory law, the warranty period is one year from delivery of the goods.

(6) Principally, the quality of the goods is solely as agreed in the delivery note. Public statements, claims or advertisements are not representative of the contractual quality attributes of the goods.

(7) Insofar as not otherwise agreed in individual cases, we do not afford the purchaser any guarantees in the legal sense.

(8) In case the order is to be executed according to drawings, models or samples submitted by purchaser, purchaser has to warrant that no intellectual property rights are being infringed by the products thus manufactured. If a third party invoking its intellectual property rights should forbid or interdict us to manufacture or deliver such products, we are entitled to stop production or delivery, without any obligation to verify the legal validity of the claim, and to invoice the expenses incurred. In such case the purchaser is fully responsible for any damage resulting either from such infringement of the rights of third parties or from a claim of action based upon such infringement.

Section 6 - Liability

(1) Unless otherwise specified in these General Terms and Conditions we are only obliged to indemnify the purchaser for damages arising out of faulty delivery or other legal reasons attributable to us as stipulated by mandatory statutory law. We will not be liable for compensation in the event of infringement of immaterial contractual obligations due to ordinary negligence. In the event of infringement of substantial contractual obligations (cardinal obligations) due to ordinary negligence, liability for compensation on our part is limited to average losses that are foreseeable, direct and typical to the contract, with the exclusion of consequential losses caused by defects and lost profits. This also applies in the instance of breach of duty due to ordinary negligence on the part of our legal representatives or vicarious agents. The liability for all damages caused by a product or goods with the same fault, is limited to a maximum amount of EUR 5,000,000. The limitations of liability do not apply in respect of purchaser claims on the basis of statutory product liability. Moreover, the limitations of liability also do not apply in relation to bodily injury, damage to health or loss of life attributable to ourselves.

(2) Purchaser claims for compensation due to defects become barred by limitation one year following delivery of the goods; however, this will not apply in the case of willful deceit on our part.

(3) The purchaser is liable for contributory negligence and the contributory negligence of a vicarious agent.

(4) We are entitled to offset purchaser claims directed against us or assert a right of retention, including in the case of different due dates. Where performance by the purchaser is insufficient to pay off our entire accounts receivable, we will specify the debt against which performance is to be offset.

(5) The purchaser may not assign claims against us to any third party.

(6) The obligation to compensate damage shall be excluded in the event the purchaser effectively limits the liability vis-à-vis its customers on its behalf. The purchaser shall endeavor to agree upon limitations of liabilities in a legally permissible scope in our favor.

(7) For measures of the purchaser to prevent damages, e.g. recall operation, we shall be liable insofar only as we are legally obligated in this regard. The purchaser shall inform and consult us immediately and conclusively in the event the purchaser intends to take recourse against us in accordance with the above provisions. The purchaser shall give us the opportunity to inspect the damage event. The parties shall agree on the measures to be taken, in particular, with regard to composition negotiations.

Section 7 - Ascertainment of unit costs

The unit price is determined by calculation in consideration of the requested quantity. Should the order quantity fall short of that requested or specified in the offer, an additional charge will apply.

Section 8 – Retention of title

(1) The delivered goods remain our property as reserved goods (goods subject to a retention of title) until such time as all invoices arising from the business relationship and any outstanding accounts receivable pertaining to the purchase object have been paid. Allocation of individual accounts receivable within a current account or balancing and recognition of such will not extinguish the retention of title. In the event of default in payment by the purchaser, we will be entitled to reclaim the reserved goods following separate request stating the time limit for such. This will not however amount to withdrawal from the contract.

The purchaser is obliged to effect immediate hand-over.

(2) Should the purchaser process the reserved goods into a new movable item, such processing is carried out on our behalf and without any obligation being imposed upon ourselves. The new movable item becomes our property. In the event of processing together with goods not belonging to the purchaser, we will acquire co-ownership in the new object to the value of the reserved goods pro rata to the other goods at the time of processing. Where reserved goods are processed, combined, blended or mixed with other goods not belonging to the purchaser, we will become a proportionate co-owner of the respective goods. In the event that the purchaser acquires sole ownership by way of processing, combining, blending or mixing, the purchaser hereby assigns us co-ownership to the value of the reserved goods, pro rata to the other goods at the time of processing, combining, blending or mixing.

(3) In the event of reserved goods being disposed of by the purchaser either independently or together with goods not belonging to us, with priority above all others, the purchaser hereby assigns to us accounts receivable ensuing from the said disposal to the value of the reserved goods, including all subsidiary rights; whereby we accept the assignment accordingly. The value of the reserved goods is our invoice amount plus a security supplement of 10%, which will not be applied insofar as countered by third-party rights.

(4) The purchaser is entitled and authorized to process, use or install the reserved goods solely within the normal, due and proper course of business and only under the provision that the accounts receivable are actually transferred to us. The purchaser is not entitled to any alternative disposition of the reserved goods, particularly pledging or assignment as security.

(5) Subject to retraction, we authorize the purchaser to collect the assigned accounts receivable. We will refrain from exercising our independent right of collection provided that the purchaser fulfils its payment obligations, including vis-à-vis third parties. At our request, the purchaser will be obliged to nominate the debtors of the assigned receivables, provide any necessary information to enable assertion of our rights, hand over documentation, and notify the debtors of assignment accordingly; we are also entitled to inform debtors of the assignment ourselves.

(6) In the event of third-party attack on the reserved goods, especially levies of execution or other impairment of our rights by third parties, in particular compulsory execution measures, the purchaser is required to refer to our ownership and notify us accordingly without delay; whereby the purchaser is also to provide all necessary documentation to facilitate intervention. Insofar as a third party is incapable of reimbursing us for any commensurately resulting judicial costs or out-of-court costs, our purchaser will be liable for such costs accordingly. Should the value of objects serving us as security and/or objects subject to retention of title exceed our overall accounts receivable by more than 10% for an extended period, at the purchaser's request we will be obliged to release securities to a commensurate extent. The purchase price or cost price will be decisive in terms of ascertaining the value of the security, with the nominal value decisive in terms of receivables.

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(7) Title to the reserved goods passes to the purchaser upon full payment of all our accounts receivable ensuing from the business relationship. At the same time, the purchaser will also acquire the receivables assigned by it to us as security for our claims in accordance with the afore stated provisions.

(8) In the event of suspension of payments or application for or opening of insolvency proceedings, the purchaser's right to further disposal, use or installation of the reserved goods and authorization to collect assigned receivables will expire; the collection authorization will likewise expire in the event of protest against a check or bill of exchange. In the instance of default in payment, the financial collapse, or suspension of payments by the purchaser, or application for or opening of insolvency proceedings in relation to its assets, we will be entitled to reclaim our reserved goods without withdrawing from the contract.

Section 9 – Force Majeure

(1) We shall not be in breach of these General Terms and Conditions and the agreement for failure to perform or delay in performing any or all of our obligations as a result of an event of force majeure ("Event of Force Majeure").

For the purposes of these General Terms and Conditions, Event of Force Majeure shall include without limitation acts of God (including flood, fire, earthquake or other similar event), riots, war, strikes, lock-outs or other industrial disputes, epidemics, failure of telecommunication systems, failure of the world wide web, governmental restraints and act(s) of legislature or any cause (other than lack of funds) outside the reasonable control of the affected party.

(2) The operation of these General Terms and Conditions shall be suspended during the period in which an Event of Force Majeure continues to have effect except for any obligation, if relevant, to pay any sum due at the onset of the Event of Force Majeure or payable in relation to performance before the Event of Force Majeure. Immediately upon the Event of Force Majeure ceasing to have effect, we shall notify you by posting a notice on the website and the operation of these General Terms and Conditions and the agreement shall continue. If a default due to an Event of Force Majeure continues for more than 12 (twelve) weeks, we shall be entitled to terminate these General Terms and Conditions and the agreement upon serving a written notice to you.

(3) We shall not have any liability to you as a result of an Event of Force Majeure.

Section 10 – Secrecy

(1) The contracting parties agree to maintain secrecy in respect of all undisclosed commercial and technical details becoming known to them during the business relationship.

(2) Drawings, models, templates, samples, and similar may not be made available to unauthorized parties without our prior written approval. Duplication of all such items is only permissible within the scope of commercial requirements and the provisions of copyright.

Section 11 - Applicable law, place of performance and legal venue

(1) These General Terms and Conditions and all legal relations between the contracting parties or their respective legal successors are exclusively subject to the substantive law of the country, the contracted Tekfor entity has its place of business, to the exclusion of the provisions of the uniform United Nations Convention on Contracts for the International Sale of Goods and international private law.

(2) Place of performance in terms of our deliveries is our production plant. Place of performance for payment by the purchaser is the place of business of the contracted Tekfor entity.

(3) The rights of the purchaser are not assignable.

(4) The legal venue for all disputes arising directly or indirectly from the contractual relationship, including any legal action in respect of bills of exchange and checks, is the place of jurisdiction of the contracted Tekfor entity. We may however also sue the purchaser in the place of authority for its domicile.

(5) The invalidity or modification of any or several clauses of these General Terms and Conditions does not affect the validity of the remaining General Terms and Conditions. The contractual parties are obliged to replace the invalid clauses by equal regulations having the same economic meaning.

(6) These General Terms and Conditions do exist in several languages. The version in the language of the country shall apply where the contracted Tekfor Group entity is based.