

GENERAL ARAYMOND GmbH & Co. KG TERMS AND CONDITIONS
Update of 05/2011**1 GENERAL INFORMATION**

These General Terms and Conditions apply to the contractual relationship between the supplier ARAYMOND (hereinafter "Supplier") and the client company (hereinafter "Client"). These terms and conditions and their subsidiary agreements – the quality agreements and logistics agreement – are subject to the Business Law, when they apply to the manufacture of a product on the basis of the PPAP (Part Production Approval Process). PPAP means : (i) all of the Buyer's written requirements duly accepted by ARAYMOND relating to the Product, (ii) the ARAYMOND document validated by the Buyer containing the characteristics defined as functional with indication of the measurement and testing resources used.

The Client's general terms and conditions expressly agreed by ARAYMOND can apply in addition to the present General Terms and Conditions and the Particular Conditions, insofar as these Client's general terms and conditions are not in contradiction with these ones and comply with contract law and competition law.

The present General Terms and Conditions apply to all contracts, all orders and all open orders.

To fulfil the Client's requirements, it is frequent that ARAYMOND must accept terms and conditions, even though ARAYMOND does not know these terms and conditions. It is expressly agreed that all references to Client's documents on any documents, including on an Internet site, referring to another document, shall not be agreed by ARAYMOND without its written and prior agreement.

Any derogation to the present General Terms and Conditions shall be confirmed in writing. The term in "writing" means any document drawn up on any paper, electronics medium or by fax.

Conversely any order or any acceptance of the Products constitutes full and entire acceptance of these General terms and all the terms of the ARAYMOND offer including the PPAP.

2 THE CONTRACT'S SCOPE OF APPLICATION

The following documents are part of the contract in the order shown below:

- (i) The present General Terms and Conditions,
- (ii) Quality Convention,
- (iii) Logistics Convention,
- (iv) the offer accepted by any means, in particular by acknowledgment of receipt or confirmation of order,
- (v) the PPAP completing the present General Terms and Conditions,
- (vi) the delivery order,
- (vii) the invoice.

The following documents are not part of the contract: documents, catalogues, advertising, "written" fees not mentioned and not expressly agreed by the Parties in the particular conditions.

3 METHOD USED TO PLACE ORDERS

The contract is only valid after express agreement of the order by ARAYMOND in the event that this order will have different terms from the Offer.

The order shall be accepted by any written means.

Any order expressly accepted by ARAYMOND, whether closed or open, will be deemed to entail the Client's acceptance of ARAYMOND's offer.

Any order strictly in conformity with the Offer could not be the subject of confirmation and will *de facto* be regarded as accepted.

Any request of the Client to recover his orders via a portal or any other means shall be subject to the agreement of ARAYMOND. In any event, even though ARAYMOND would have accepted this practice, the Client will have to make sure that ARAYMOND recovered the aforementioned orders. In this respect, in the absence of verification by the Client, ARAYMOND will not be held liable.

3.1 Closed order

The closed order specifies the quantities, prices and timeframes in a closed manner.

3.2 Open order and Program of delivery

Open orders must comply with the following clauses:

- It is limited in time by the agreed timeframe; and
- It defines the product's characteristics and prices; and
- Minimum and maximum quantities and execution timeframes are stipulated at the time of the open order's conclusion; and
- The pace of delivery orders defines quantities and timeframes that fall within the scope of the open order.

If the corrections to the forecasted estimates expressed by the Client deviate of more than 20% upward or downward, of the amount of the said estimates, ARAYMOND evaluates the consequences of these variations.

In the event of a variation whether upward or downward, the parties must meet to find a solution to the consequences of this variation, which could modify the contract's balance to ARAYMOND's detriment. In the event of variation upward, ARAYMOND will make all its efforts to fulfil the request of the Client within quantities and times compatible with its capabilities (production, transport, subcontracting, human capabilities, financial capabilities etc).

3.3 Amendment of the orders

Any modification to the contract requested by the Client is conditional upon ARAYMOND's express acceptance.

3.4 Cancellation of order

The order expresses the Client's irrevocable consent; the Client cannot cancel such order without the prior and express consent of ARAYMOND. In this case, the Client shall indemnify ARAYMOND for all of the expenses incurred (in particular specific equipment, research's costs, labour's and supplying's expenses, tooling) and for all direct and indirect consequences resulting thereof. In addition, the deposit already paid shall remain at ARAYMOND.

4 THE ORDER'S PREPARATORY AND ANCILLARY WORK**4.1 Plans, researches, descriptions**

All the technical plans, descriptions, documents or quotations given to the other party are communicated within the framework of a loan for use whose purpose is the evaluation and the discussion of the commercial offer of ARAYMOND. They will not be used by the other party for any other purposes. ARAYMOND keeps all of the material and intellectual property rights on the documents loaned. These documents shall be sent back to ARAYMOND upon first request of ARAYMOND.

4.2 Handing-over of samples

The samples or prototypes transmitted to the Client are covered by a strict confidentiality. Samples may only be furnished to a third party with ARAYMOND's express authorisation.

4.3 Conservation of tooling

The expenses incurred by ARAYMOND for the research, the creation of tooling and the adjustment of manufacture shall be the subject of the Client's financial participation.

Tools which are designed by ARAYMOND and adjusted to its methods and its equipment shall remain its property.

The Client's participation in tooling expenses shall only give the Client a right of use of these tooling in ARAYMOND's workshops. The Client's participation shall not entail any transfer of material or intellectual property rights or know-how.

5 CHARACTERISTICS AND STATUS OF PRODUCTS ORDERED**5.1 Destination of the products**

The delivered products shall comply with the PPAP at the time of delivery in accordance with the Incoterms (see Article 7.5 - Reception) and with the technical regulation and the technical standards as mentioned in the PPAP.

The Client is responsible for ensuring that the product is used in normal foreseeable conditions of use and in accordance with safety and environmental legislation in effect at the place of use, as well as with industry practice.

The Client bears the sole risk of the suitability of the products ordered for the intended purpose.

Unless express provision mentioned on the product, the delivered product shall not be intended to be put in contact with the fuel supply, or to enter an explosive atmosphere.

5.2 Packing of the products

Packages not consigned shall not be taken back by ARAYMOND. The Client undertakes to dispose of packages in accordance with local environmental legislation.

5.3 Transmission of the information concerning the product

The Client undertakes to transmit to any sub-buyer any information that is useful to using the product. ARAYMOND shall be responsible for the product's traceability, up to the date of delivery to the Client.

5.4 Guarantee, Procurement risk

Any guarantee agreement or the adoption of the procurement risk requires prior written consent of ARAYMOND and is only effective if it describes the contents of the guarantee and the duration and scope of the guarantee in sufficient detail.

6 INTELLECTUAL PROPERTY AND CONFIDENTIALITY**6.1 Intellectual property and know-how of the documents and the products**

All intellectual property rights and the know-how incorporated in the documents transmitted, the products delivered and the services provided shall remain ARAYMOND's exclusive property.

Any transfer of intellectual property right or know-how shall be the subject of an agreement with ARAYMOND.

Only ARAYMOND shall have the right to use its know-how and the results of its own development's and research's works.

The handing-over by ARAYMOND of plans or technical documents shall not involve transfer to the Client of their property or of the rights, which are attached to these plans and documents, Client. They are given as loan for use and shall be sent back to ARAYMOND upon first request by ARAYMOND or at the end of the contract.

Any clause of the Client stipulating the automatic transfer of rights to the Client as a consequence of a business relationship or a supply shall be regarded as not written.

6.2 Confidentiality

The parties enter into with one another a general obligation of confidentiality concerning the components (documents on any media whatsoever, discussion reports, plans, exchanges of computerised data, etc.) exchanged within the framework of the contract preparation and implementation.

However the following information shall not be subject of an obligation of confidentiality: Information belonging to the public domain at the time of the conclusion of the contract All information that is already lawfully known by the contractual partner prior to the conclusion of the contract, or prior to the preliminary works to the conclusion of the contract. These provisions shall not impede ARAYMOND's option to use its know-how and its own technology developed during the contract, in the absence of a specific agreement concluded between the parties. These provisions shall not impede ARAYMOND's option to protect his achievements.

6.3 Guarantee in the event of infringement

The Client guarantees that at the time of the handing over of plans and of the specifications and this until the order, their usage conditions will not be based on the intellectual property rights or know-how held by a third party. He guarantees that he can use it freely without infringing a contractual or legal obligation.

The Client shall hold ARAYMOND harmless from direct or indirect consequences of any civil liability proceedings or criminal liability proceedings resulting from infringement or unfair competition proceedings.

7 DELIVERY, TRANSPORT, INSPECTION AND ACCEPTANCE OF PRODUCTS

7.1 Delivery timeframe

The delivery timeframe shall commence as of the latest of the following dates:

the date of the order's acknowledgment of receipt,

the date of receipt of all of the materials, equipment, tools, and execution details due by the Client,

the fulfilment date of prior contractual or legal obligations due by the Client.

The agreed delivery timeframe is an important element which is specified in the Offer. However, timeframes stipulated are given for information purposes only and can be reconsidered if circumstances that are beyond ARAYMOND's control occur.

7.2 Delivery terms

Delivery is realised from respective shipping offices in accordance with the commercial terms stipulated in the Offer for the interpretation of the INCOTERMS in effect in the Offer. Unless expressly agreed otherwise, the contract performance is provided "ex works". If the Client has contracted the transport then he shall release ARAYMOND from all financial consequences resulting from any possible assertion of claims by the freight forwarder against ARAYMOND.

7.3 Transport, customs, insurance

Unless otherwise agreed, all operations involving transport, insurance, customs, maintenance, and bringing to the site shall be carried out and paid by the Client, at its own risk. The Client shall be responsible for the Legal Acceptance and for exercising, if need be, remedies against carriers, even if shipping has been done carriage free.

7.4 Checking of the products

The Client must, at its expense and under its responsibility, check or make check the product's conformity to the order.

7.5 Reception

The Client is required to carry out the Legal Acceptance of the products by which it acknowledges said product's conformity to the PPAP. The Legal Acceptance is deemed as recognition of the absence of visible defects.

7.6 Handling and storage

The Client shall respect the recommendations relating to storage and handling including, but not limited to, reconditioning of pallets, change of conditioning by the non-utilization of the products fallen on the ground, or the inventory turnover to ensure the availability of the last index in force of the modification of the products.

8 CASE OF HARDSHIP AND FORCE MAJEURE

8.1 Clause of hardship

The Parties recognize that the ARAYMOND Offer constitutes a reasonable and equitable basis of their co-operation. If the data on which this contract is based are modified with the result that ARAYMOND encounters serious and unforeseeable difficulties, then ARAYMOND, after prior written notification, will make the adjustments, which are necessary in consequence of the circumstances and which were not reasonably foreseeable at the time of the Offer, in order for the contract to be balanced.

8.2 Force majeure

The occurrence of force majeure, which prevents or delays the realisation of the delivery, the availability of the products or the dispatch, releases ARAYMOND for the duration of the extent of the disruption from the obligation to the realisation of the delivery in relation to the Client.

However ARAYMOND will inform the Client as soon as possible of the occurrence of a case of force majeure. ARAYMOND will endeavour to remedy the situation, which has thus arisen, as soon as reasonably possible. It is expressly agreed that the Parties shall meet in order to agree as to the postponement of ARAYMOND's obligations, which are affected by

the event of force majeure, and to the rescheduling of the instalment schedule. Should this event continue for a period longer than 10 calendar days, and in the absence of an agreement 15 days following notice of the occurrence of the event of force majeure, either Party may terminate the contract without prior notice. Pursuant to this contract, it is expressly agreed that events of force majeure shall be, in particular: the occurrence of incidents, as upheld by effective legislation or by case law, but also strikes or other blocking labour unrest, paralysing bad weather, blocking road accidents or incidents, fires, or generally, the fact, in spite of all due care taken, of not being able to make the delivery in accordance with the instalment dates as a result of a ban on, or non-receipt, of carriage authorisations by the relevant authorities for all the plants concerned by the issuance.

9 ESTABLISHMENT OF THE PRICE

The prices are given in Euro plus VAT, ex works, excluding packaging. They are charged in accordance with the stipulations of the Offer. The price is solely applicable to Products and deliveries on Offer.

10 PAYMENT

10.1 Payment terms

The Client must pay a ARAYMOND payment agent within 14 days with a 2% discount or within 30 days from the date of the invoice without discount. The discount shall not be granted if the Client has any outstanding delayed payments. Payments shall only be considered to have been effected once ARAYMOND may freely dispose of them at their Bank. ARAYMOND shall only accept cheques and cash for cash payment; the Client bears the bank charges. Payments are due immediately.

ARAYMOND shall issue the invoice as soon as the products are shipped or are ready for collection.

10.2 Delay of payment

In the event of delay in payments, ARAYMOND shall charge interest at the rate of 8% above the base rate with a minimum of 10%.

At ARAYMOND's sole discretion, any delay in payments within due date will lead to the termination of the contractual term, the totality of the sums due becoming immediately payable.

The fact for ARAYMOND to claim one and/or the other of these provisions does not waive ARAYMOND's right to implement the clause of reservation of title stipulated in article 10.5. ARAYMOND reserves the right to use payments to offset the oldest invoice items plus the interests and costs incurred, in the following order: costs, interest, main debt.

10.3 – Modification of Client's situation

In the event of deterioration of the Client's situation noticed by a financial institution and attested by a significant delay in payments or when the financial position differs appreciably from the given data, the delivery will have place only in consideration of renegotiated terms of payment.

In the event of delay in payments, ARAYMOND has a right of retention on the manufactured products and its accessories.

In the event of sale, of transfer, of handing-over in security or in the event of capital invested of his goodwill, or of a significant part of his assets or of his material by the Client, also in the event that the bill did not return with acceptance within the seven days following its sending, ARAYMOND reserves the right without injunction:

to pronounce the termination of the contractual term and consequently the immediate payability of the sums still due

to suspend all shipments

to note on the one hand the annulment of all the current contracts and to practice on the other hand the retention of the received down payments, the held tooling and parts, until the determination of the possible indemnity.

10.4 Compensation of the payments

The Client undertakes not to engage into any illicit debiting or crediting or not to invoice ARAYMOND for any amount that has not been expressly acknowledged by the latter as being its responsibility. Any automatic debit shall constitute an outstanding payment and shall give rise to the application of the provisions of Article 10.2 with respect to delay in payments.

10.5 Reservation of ownership

ARAYMOND reserves ownership of all Products delivered until settlement of all debts resulting from the commercial relationship with the Client. In the case of a current account the reserved property is valid as security for the claim off the balance. The Client shall store the reserved Products carefully for ARAYMOND at their own expense for maintenance and repair, and to take care of them with due diligence and insure them against loss and damage at their own expense. The Client shall waive the right to the insurance contracts in advance to ARAYMOND.

ARAYMOND is entitled to request the Products concerned from the Client without any period of notice, in the event that the latter should be in default of their undertakings with regard to ARAYMOND or as a result of any application for insolvency proceedings over the Client's assets. The return of the Products shall not constitute any withdrawal from the contract unless ARAYMOND explicitly so stipulates in writing.

The Client is entitled to sell the Products during the ordinary course of business, provided it meets its obligations in good time under the commercial undertaking with ARAYMOND and as long as no application has been filed for the commencement of insolvency proceedings over its assets. The Client may neither pledge the reserved products nor use them as security. If the reserved Products are seized or if the ARAYMOND's rights are otherwise

affected by a third party, the Client must immediately notify ARAYMOND thereof. In the event of the resale of the Products the Client must ensure the transfer the ownership is subject to the full payment by their buyer. He shall guarantee the rights of ARAYMOND when reselling the Products. The Client shall already cede all claims to ARAYMOND, which arise with regard to his buyer as a result of the resale of the Products.

The Client remains irrevocably authorised to collect the claims resulting from the resale for ARAYMOND. He must notify this task to his buyer at the request of ARAYMOND and to give ARAYMOND all the information and documents it needs to assert its rights. If the reserved Products become a new matter as a result of assembling components, which belongs to the Client, it is agreed that the Client shall transfer co-ownership to ARAYMOND for the new object and that this transfer shall be without any cost to ARAYMOND. ARAYMOND's interest shall be determined according to the ratio of the value of the Products to the value of the new item.

ARAYMOND undertakes to release any relevant securities if their value exceeds the secured claims by more than 10%.

11 RESPONSIBILITY/LIABILITY

ARAYMOND's responsibility is strictly limited to complying with the PPAP.

Indeed, the Client, as a professional in his field of competency, shall be able to define with precision the specifications according to his own industrial data or data of his clients and consequently shall be able to appreciate that the PPAP fully corresponds to its expectations.

ARAYMOND shall not be liable

for defects resulting from materials furnished by the Client,
for defects resulting from design carried out or recommended by the Client,
for defects that result partially or completely from normal wear and tear of the product, damages or accidents attributable to the Client or to a third party,
in the case of abnormal or atypical use or use that is inconsistent with the product's intended use, industry practice, or ARAYMOND's advice or recommendations,
in case of loss of traceability of the product by the Client.

Claims on the guarantee by the Client shall lapse by statute of limitations in the case of § 438 paragraph 1 Nr. 3 BGB (Civil Code) in one (1) year from the statutory period of limitations. In addition, the Client's guarantee claims lapse in accordance with the law.

12 LIMITATION OF ARAYMOND'S LIABILITY

12.1 ARAYMOND's liability shall be limited to direct material damages caused to the Client that result from fault attributable to ARAYMOND in implementing the contract. ARAYMOND shall not be required to compensate harmful consequences due to the faults of the Client or of third parties in connection with the implementation of the contract. ARAYMOND shall not be liable for damages resulting from the Client's use of technical documents, information or data from the Client or imposed by the latter.

12.2 Under no circumstances will ARAYMOND be required to compensate immaterial or indirect damages, such as : losses in productivity, losses of chance, losses of benefit, commercial damage, shortfall.

12.3 ARAYMOND's civil liability, all causes taken together except for personal injuries and for gross misconduct liability, is limited to the amount of the selling price of the batch to which belongs the non-conform product.

12.4 The regular limitation period (§ 195 Civil Code) for other contractual and non-contractual claims against ARAYMOND is two (2) years from the start of the period of statutory limitations. Mandatory statutory limitation periods remain unaffected.

12.5 If penalties and compensations planned were agreed by mutual agreement, these penalties and compensations have the value of fixed compensation, are in full discharge and are exclusive of any other sanction or compensation.

12.6 The Client guarantees waiver of remedy by its issuers or third parties in a contractual relationship with it, against ARAYMOND or its insurers that is above and beyond the aforementioned limits and exclusions.

13 AMICABLE RESOLUTION OF DISPUTES

The parties undertake to attempt to resolve their disputes amicably prior to refer to the court with jurisdiction.

The negotiation must be transcribed in writing.

14 APPLICABLE LAW - JURISDICTION

If an amicable agreement fails, it is hereby explicitly agreed that any dispute relating to the agreement shall be subject to the law of the Federal Republic of Germany and the jurisdiction of the courts at the registered office of ARAYMOND – even in the case of an appeal and with numerous parties.

15 SEVERABILITY CLAUSE

IN THE EVENT THAT ANY CLAUSE OF THESE TERMS AND CONDITIONS OR OTHER ELEMENTS OF THE CONTRACT SHOULD BE OR BECOME INVALID THIS SHALL NOT AFFECT THE VALIDITY OF THE REMAINING CLAUSES.