

General Terms and Conditions of Business (version: 1st of June 2009) Kirchhoff Polska Sp. z o.o.

1. GENERAL

1.1 For the purposes of this document the terms "supplier(s)" and "supply contract(s)" shall be defined as follows:

- A supplier is any person with whom we have placed an order for deliveries or services.
- Supply contracts include all contracts, hence contracts of purchase, for work and materials, for work and labour and service contracts.

1.2 Unless otherwise agreed upon on an individual basis, the legal relationship between purchaser and his suppliers shall adhere solely to these terms and conditions. Any changes to these terms and conditions or supplements thereto have to be made in written form. Terms and conditions or regulations of the supplier, which contradict these terms and conditions, shall not be regarded as an integral part of the contract between supplier and purchaser, even if purchaser has not specifically objected to the same.

1.3 In addition, all of supplier's activities carried out on the purchaser's business grounds and/or premises must be carried out in accordance with the relevant valid house rules of the purchaser (refer to the downloads in the Purchasing Division section of the homepage: www.kirchhoff.pl).

1.4 These terms and conditions and purchaser's house rules are applicable also to all future orders to the supplier.

2. CONCLUSION, EXECUTION AND DURATION OF SUPPLY CONTRACTS

2.1 Supply contracts (order and acceptance) and release of orders on call or any amendments and/or supplements thereto have to be made in written form. Delivery schedules may also be effected by way of remote data transmission.

2.2 All orders placed shall become legally effective on both contractual parties once such orders have been placed in writing by the purchaser and are immediately accepted by the supplier without restrictions by a confirmation in writing. Until supplier has placed his confirmation in writing, purchaser is entitled to rescind his order. In case the supplier carries out a delivery without previously having placed a confirmation of the order the supply contract becomes valid, in accordance with the conditions stipulated in the order, when purchaser accepts the delivery.

2.3 Commissioning third parties to execute purchaser's orders shall not be permitted without purchaser's prior written consent and purchaser shall be entitled to withdraw from the contract in whole or in part and to demand compensation for damages.

2.4 The following is valid only for purchasing of raw materials or series production parts or components from supplier. Purchaser shall be entitled to demand

3.3 A valid delivery note has to be issued for each delivery, which shall reflect the order/call release

modifications in design and specification of the delivery item from the supplier, as far as this is reasonable for the supplier. The consequences, especially with regard to increase or reduction of costs and delivery dates shall accordingly be mutually agreed between the contractual parties.

2.5 The following is valid only for purchasing of raw materials or series production parts from supplier: Orders and orders on call are based on the varying requirements of the purchaser's respective customers. Therefore purchaser expressly reserves the right to adjust delivery quantities and dates within the framework of his customer's purchase order amendments. Unless provided otherwise by separate agreement the following is applicable:

- Forecast: Purchaser shall provide supplier with a forecast for estimated quantities required in the upcoming months. Such forecasts are non-binding and are based on the non-binding forecasts issued by purchaser's customers.

- Production go-ahead: This refers to the current and the following month. Purchaser must accept quantities manufactured for this period of time.

- Go-ahead for purchase of input materials: Within the framework of purchaser's orders on call supplier is permitted to purchase raw materials and to carry out capacity planning for two months exceeding the time period specified for the production go-ahead. If purchaser does not issue a production go-ahead, purchaser is obliged to accept materials already purchased by supplier within the frame-work of purchaser's orders on call for this time period or to compensate supplier's expenditure.

- Purchaser is not obliged to accept quantities exceeding the amounts specified by purchaser for the go-ahead for production or purchase of input materials. Exceeding quantities designated for release orders shall not be regarded as an entitlement to manufacture, instead such quantities have to be understood as a non-binding forecast. Orders on call shall automatically be extended by one month unless such orders lose validity through submission of a new call for release of order.

3. DELIVERY, PASSING OF RISK

3.1 Unless the contrary has been agreed in writing or text form, delivery shall be done free of charges, including packaging on ex-works terms or insurance and with duty paid (DDP Incoterms 2000) or DDU terms (delivery duty unpaid) to the address specified by purchaser, i.e. supplier carries all costs and risks until the goods have been delivered to the purchaser.

3.2 In the event of exceeding scheduled delivery dates, purchaser shall be entitled to determine the most appropriate means of transportation at purchaser's own discretion. The supplier shall bear all additional transportation costs, which may arise in this regard.

number, date of order/call release, item number and description, quantity, weight (gross/tare), supplier number and address of supplier.

4. DELIVERY DATES AND DEADLINES

4.1 Agreed delivery dates and deadlines shall be binding. Decisive for compliance with any delivery date or deadline shall be the receipt of the delivery by the purchaser. In the event that it has been agreed, contrary to article 3.1, that collection of goods by purchaser shall be at purchaser's expense, the supplier shall notify purchaser via facsimile to the facsimile number specified by purchaser, with regard to the availability of the relevant goods at least 2 days before expiry of the delivery date and supplier shall have the goods, including packing, ready for collection.

4.2 The following is valid only for purchases of raw materials or series production parts or components from supplier: If required by purchaser the supplier shall be obliged to - without additional payment - permanently keep appropriate stock levels in excess of the respective delivery quantities.

5. DELAYED DELIVERY

5.1 The supplier shall be held liable for compensation of any and all damages resulting to the purchaser due to delayed delivery.

5.2 In the event that the supplier is in delay, purchaser shall be entitled to demand liquidated damage caused by delay amounting to 1 of the delivery and performance value per full week, however not exceeding a total of 10 of the delivery and performance value⁶ further going legal claims shall remain unaffected. Supplier as well as purchase shall be entitled to prove that no, a lower or higher damage resulted from delivery delay. In this last case the purchaser shall be entitled also to assert claims for these higher damages in the full amount.

6. PAYMENT, ACCOUNT AND DELIVERY NOTE

6.1 Purchaser shall have the right to select whether to pay by bank transfer, cheque, bill of exchange or any other means of payment.

6.2 If nothing to the contrary has been agreed, purchaser shall have the right to select either to make payment within 14 days with 3 cash discount, within 30 days with 2 cash discount, within 10 days net after receipt of the goods by purchaser and receipt of due and proper account.

6.3 In the event of accepting premature delivery, the due date shall be calculated in accordance with the agreed delivery date.

6.4 In the event of faulty delivery, the purchaser - irrespective of his other rights - shall be entitled to withhold payment to the proportionate value until due and proper accomplishment of performance.

6.5 The supplier shall not be permitted to assign his claims against purchaser to any third party or arrange for collection by any third party without prior written consent of purchaser, which may not be unreasonably withheld.

6.6 Accounts must be forwarded to purchaser's headquarters in duplicate. Accounts must reflect the supplier number, number and date of order (respectively conclusion of purchase order and call for release), purchaser's additional data (account assignment), unloading point, number and date of delivery note and quantity of goods accounted for. Accounts may only be issued on goods specified on one single delivery note.

7. CONFIDENTIALITY, DRAWINGS, MODELS ETC.

7.1 The contractual parties undertake to treat as trade secrets all business and technical details, which are not publicly known, and which they may obtain knowledge of on the basis of the business relation between the parties.

7.2 Drawings, models, templates, samples and similar objects, may not be passed on or made accessible to any third party in any way and shall remain the property of purchaser. Copying of such objects shall only be permitted within the framework of operational requirements and the provisions set forth under copyright law. Goods manufactured on the basis thereof may not be assigned to any third party neither as raw, semi-finished or finished goods. The same shall apply to parts, which the supplier has developed and/or produced on the basis of purchaser's specifications.

7.3 The same obligations have to be imposed on sub-contractors.

7.4 The contractual parties shall only be permitted to publicise their mutual business relations after prior written consent has been granted by both parties.

7.5 Correspondence between the supplier and purchaser's customers concerning the respective objects ordered shall be strictly prohibited unless express written consent has been provided by purchaser.

8. QUALITY AND DOCUMENTATION

8.1 All deliveries by the supplier shall be carried out in compliance with state-of-the-art technology, all safety regulations and the agreed technical data. Modifications to the delivered objects have to be approved in advance in writing by purchaser.

8.2 The following is valid only for purchases of raw materials or series production parts from supplier: For inspection of initial samples the purchaser refers to the respective customers' OEH specifications in force, e.g. the VDA-scripture: "Safeguarding Quality of deliveries" (Edition 2) or the compendium "Production Part Approval Process". Irrespective thereof, the supplier shall be under the obligation to carry out continuous quality control. The contractual parties shall mutually inform each other with regard to any quality improvement possibilities.

8.3 The following is valid only for purchases of raw materials or series production parts from supplier: In the event that the nature and extent of such inspections as well as the testing equipment and

methods have not been determined between the supplier and purchaser, purchaser is, upon supplier's request, prepared to discuss the inspections with the supplier within the framework of his knowledge, experience and possibilities in order to determine the respectively required standards of the testing technology. In addition, upon supplier's request, the purchaser shall furnish supplier with information concerning the pertinent safety regulations.

8.4 Furthermore, the purchaser refers to purchaser's Quality Assurance Guideline for Suppliers (refer to the downloads in the Purchasing Division section of the home- page: www.kirchhoff.pl).

9. CLAIMS, WARRANTIES / LIABILITY, TERMS OF LIABILITY

9.1 Purchaser shall not be obliged to carry out detailed incoming goods inspections. Purchaser may conduct random checks and examine the goods as regards visible defects. The quantity, weight and measurements determined by purchaser shall be decisive.

9.2 Claims shall be deemed as having been notified in due time, if visible (obvious) defects have been reported to the supplier at the latest within 5 working days as of receipt of the goods. Purchaser shall be entitled to provide notification of hidden or concealed defects also at a later time, which is within 5 working days after detection and establishment of the defect.

9.3 The supplier is obliged to provide purchaser with possession and ownership of the goods, free from material defects or deficiency in title.

9.4 In particular the goods shall be deemed as materially damaged if, upon passing of the risk, the goods do not possess the agreed specifications and/or are not suitable for use in terms of the prerequisites as set forth in the contractual agreements and/or do not maintain their specifications and/or usability for the customary life cycle.

9.5 The supplier guarantees that all goods delivered comply with the specifications stipulated in the purchasing order as well as with the accident prevention regulations set forth by law and by the Employer's Liability Insurance Association.

9.6 In the event of material defects or deficiency in title and other violations of obligations, purchaser's rights and claims shall be governed by the Polish Civil Law. In addition to the respective statutory rights, the following is agreed: In the event that the supplier should not meet his obligations with regard to subsequent performance within an adequate period of time set by purchaser - in a case considered to be urgent this period may be entirely short -, purchaser shall be entitled to carry out subsequent performances by itself at the expense of the supplier or arrange for the same to be carried out by a third party. This shall also apply to necessary sorting costs. Setting of an adequate period of time will not be necessary should subsequent performance workings should be necessary (e.g. sorting, rectification) on the site or at the facility where the goods were delivered as agreed, the supplier

shall be obliged to deliver subsequent performances there at his own expense or arrange for such performances to be rendered. In order to avoid assembly line stagnancy, such performances shall be executed immediately. Otherwise purchaser and/or those concerned within the delivery chain shall be entitled to carry out such performances at the expense of the supplier or arrange for the same to be carried out.

9.7 The following is valid only for purchases of raw materials or series production parts from supplier as well as for processing orders: In the event that defect goods should be detected by purchaser upon commencement of production (processing or installation), purchaser shall grant the supplier the opportunity to sort and provide subsequent performance (rectification or subsequent delivery) if such performances can be executed immediately otherwise purchaser shall be entitled to rectify such defects by itself and to charge all costs arising in this regard to the supplier.

In the event that such defect is only be detected after starting the production, the above mentioned applies, with the provision that purchaser shall be entitled to demand further compensation for additional expenditure, e.g. for processed parts.

9.8 The following is valid only for purchases of raw materials or series production parts from supplier as well as for processing orders: Purchaser's claims based on material defects or deficiency in title as well as other contractual violations by the supplier shall become time-barred at the earliest 5 years as of receipt of the goods by purchaser, unless otherwise longer deviating deadlines provided for by statutory laws or agreed in individual cases and subject to the regulations set forth in 9.9 and 9.10. This limitation period shall be extended by the time periods during which the time-barring period is suspended.

9.9 In the event that claims against purchaser are raised due to material defects or other contractual violations which arise in the supplier's field of responsibility, the supplier shall indemnify purchaser from any and all claims raised by purchaser's contractual parties or any other third party, however in the case of claims for compensation of damages, only in so far as the supplier is accountable for such defects or other contractual violations. The claims for compensation of damages and for indemnification for any and all damages and expenditure exceed the terms of liability and limitation set forth in 9.3, as long as the purchaser is liable for the goods delivered by the supplier and all damages and expenditures resulting therefrom because of reasons arising in the supplier's field of responsibility. Claims of contractual violations by the supplier, which the purchaser reprimands within the terms of liability and limitation, shall become time-barred at the earliest 3 months after the reprimand.

9.10 Claims and extended time barring limitation periods pursuant to the Product Liability Act, based on malicious acts and arising from warranties shall remain unaffected.

10. PRODUCT LIABILITY, INDEMNIFICATION AND INSURANCE COVERAGE

10.1 If the supplier is responsible for damages caused by his delivery performance, the supplier shall, upon first request, indemnify purchaser from any and all claims for compensation raised by third parties. This shall in particular apply to such claims, which are asserted against purchaser in terms of the laws pertaining to liability for defective products or similar local or foreign legal provisions.

10.2 Within this framework the supplier shall also be obliged to compensate for any expenses which may arise for actions, which purchaser is compelled to execute with regard to product recall measures. Purchaser shall inform the supplier with regard to the content and extent of such recall action and, as far as possible and reasonable for the purchaser, grant the supplier the opportunity to provide his statements on the circumstances.

10.3 The following is valid only for purchases of raw materials or series production parts from supplier: The supplier undertakes to maintain product liability insurance with an amount of cover EURO 5.000.000.00 per any one occurrence of personal damage/material damage should purchaser be entitled to further reaching claims for compensation of damages, such claims shall remain unaffected.

11. THIRD PARTY RIGHTS

The supplier guarantees that the goods ordered/performances rendered are free from any and all third party rights and that the goods can be used or resold without violating any third party rights. In the event that a third party should assert rights as regards the goods delivered/performances rendered, in particular industrial property rights, the supplier shall lend the purchaser the utmost support in any legal actions and make available to purchaser all necessary documentation and to compensate all costs and expenses arising there from.

12. CONCLUDING PROVISIONS

12.1 In the event that one of the contractual parties ceases payment, or an application for commencement of insolvency proceedings is filed with regard to any one of the contractual parties' assets and such proceedings are not abandoned within three months, the other contractual party shall be entitled to rescind the part of the contractual performances not yet fulfilled and/or demand compensation for damages.

12.2 In the event that one or several provisions set forth in these Terms and Conditions of Purchase and Ordering or any other contractual arrangements concluded between the parties are or become invalid, the validity of the remaining part of these Terms and Conditions of Purchase and Ordering and the contract shall not be affected. Such invalid clauses or filling of gaps shall be replaced by an appropriate provision, which comes closest to the objective and purpose of the invalid provision or gap, which the contracting parties would have agreed upon if such event would have been contemplated by the parties. In the event that invalidity is based on a provision concerning performance or temporal delimitation,

such provision shall be replaced by the relevant statutory regulation.

12.3 Unless the contrary has been agreed, solely the laws and regulations of Poland shall be applicable. Application of UN Purchase Law (Treaty by the United Nations dated 11.04.1930 pertaining to the International Sale of Goods) shall be excluded.

12.4 Place of jurisdiction for all disputes arising out of or in connection with contracts with merchants, legal entities of public law or special funds under public law shall be the competent court where purchaser has its registered business address.