

Global Terms and Conditions of Purchase (issue: May, 2006)**I. Governing Conditions and Acceptance**

(a) These Global Terms and Conditions of Purchase INCLUDING THE APPLICABLE ADDENDUM ("GTCP") apply to and are incorporated in all purchase orders or other documents for the purchase of Goods or services whether in written form or via electronic data exchange and all amendments thereto (collectively a "Purchase Order") issued by a company of the Brose Group ("Buyer") relating to products, parts, components, systems and work (collectively "Goods") as well as to services to be provided under a Purchase Order.

(b) A Purchase Order issued by Buyer is an offer to Supplier for the purchase of Goods or services. Prior to acceptance by Supplier, a Purchase Order may be revoked by Buyer at any time without incurring any liability to Supplier. Unless expressly stated therein, a Purchase Order does not constitute an acceptance by Buyer of any offer to sell, any quotation, or any proposal made by Supplier. Any reference in the Purchase Order to any offer, proposal or quotation made by Supplier shall be deemed only to incorporate the specific subject of reference and only to the extent that the Purchase Order does not conflict with the subject of reference.

(c) Supplier will be deemed to have accepted the Purchase Order and these GTCP in their entirety and without modification if Supplier accepts the Purchase Order in writing or via electronic data exchange or commences production of or delivery of any Goods or services which are the subject of the Purchase Order. An accepted Purchase Order or an otherwise concluded contract for the purchase of Goods is herein referred to as "Purchase Contract". These GTCP alone, and no other general terms and conditions shall govern a Purchase Contract. The fact that Buyer accepts Goods or other services without express objection or effects payments without protest, shall under no circumstances be considered as recognition of any diverging terms and conditions. Any diverging terms and conditions shall only be binding with a written confirmation of Buyer. BUYER HEREBY EXPRESSLY OBJECTS TO ANY ADDITIONAL OR CONTRARY TERMS OR CONDITIONS IN SUPPLIER'S QUOTATION, OFFER OR ACCEPTANCE, AND ANY SUCH ADDITIONAL OR CONTRARY TERMS OR CONDITIONS WILL NOT BECOME PART OF THE PURCHASE CONTRACT.

II. Quantities, Dates

(a) Quantities and dates of delivery are specified solely in the Purchase Order or in delivery schedules issued by Buyer. Supplier shall provide adequate capacity to be prepared to fulfill quantities, including forecasts, under a Purchase Orders or a delivery schedule. Buyer's purchase obligation is limited to four (4) weeks of production of finished Goods and an additional eight (8) weeks of raw material inventory based consecutively on quantities under delivery schedules. Quantities exceeding these periods are forecasts and do not obligate Buyer to purchase such quantities. Delivery schedules are governed by the terms and conditions of the Purchase Contract. Supplier will be bound to comply with a Delivery schedule, unless Supplier notifies Buyer of its rejection to such delivery schedule due to unreasonable delivery dates or quantities and offering the earliest delivery date possible in writing within 24 hours, if delivery shall be performed in the next (fifteen) 15 days or otherwise within 3 days of receipt.

(b) Time is of the essence under the Purchase Contract. Delivery shall be made on the date indicated in the Purchase Order, delivery schedule or otherwise as agreed between the parties in writing ("Delivery Date"). Buyer is not required to accept any Goods delivered in advance of the Delivery Date and Supplier bears the risk of loss of all Goods delivered in advance of the Delivery Date. Buyer may return over-shipments to Supplier at Supplier's expense for all packing, handling, sorting and transportation charges. Buyer may reasonably postpone delivery schedules or direct temporary suspension of scheduled shipments, neither of which shall entitle Supplier to a modification of the Purchase Price for Goods. If Supplier for any reason anticipates difficulty in complying with the Delivery Date, Supplier shall promptly so notify Buyer in writing.

(c) Buyer reserves the right at any time to make or request Supplier to implement changes in drawings, specifications, logistics processes (such as packaging and shipment), scope of work and the Goods of a Purchase Contract. Supplier shall outline the consequences of such change in price and time of delivery by submitting a cost break down and adequate documentation to Buyer within a reasonable time, normally not to exceed ten (10) days after receipt of Buyer's change request. In the event such change results in any difference in price or time of delivery Buyer and Supplier shall agree on a reasonable adjustment to the Purchase Contract.

(d) Supplier may not substitute materials, change production location or change the specifications of the Goods without prior written authorization from Buyer.

III. Packaging and Shipment

(a) All Goods shall be suitably packed, marked and shipped in accordance with the requirements of common carriers in a manner to secure the lowest transportation costs. The Brose Manual Procurement Logistics (available at www.brose.net in the category purchasing in the download-center or on request from Buyer) shall apply. Packing slips identifying the Purchase Order number, delivery schedule number and part number must accompany each shipment. Supplier shall mark Goods, packaging, and packing as instructed by Buyer and otherwise in accordance with applicable law and the standards of the automotive industry. Markings shall be in English unless otherwise agreed in the Purchase Contract, as determined by Buyer or required by law.

(b) Supplier shall maintain at its expense and risk a reasonable quantity of safety stock of finished Goods and materials therefore at the latest design level.

(c) Supplier shall furnish promptly all documents and other information required in accordance with customs, tariffs or other applicable governmental regulations properly completed including but not limited to (i) customs drawback documents (ii) all certificates of origin and (iii) all other information relating to a custom preference of Goods and materials contained therein.

IV. Prices and Payment Terms

The prices and payment terms are as stated in the Purchase Contract. Unless otherwise stated in the Purchase Contract, the payment term shall be the 25th day of the month following delivery. Invoicing and all shipments shall be DDU according to applicable Incoterms. Prices in a Purchase Contract ["Purchase Price"] shall be fixed and shall constitute the total price for the manufacture and delivery of Goods and services under a

Purchase Contract. Supplier shall not be entitled to adjust the Purchase Price and no additional charges of any type shall be added without Buyer's express prior written consent. Delay in receiving invoices or Goods and deliveries of defective Goods will be considered good cause for withholding payment. To the extent permitted by law payment will be performed through self billing procedure.

V. Value and Cost Analysis

Supplier is committed to value and cost analysis regarding all Goods. Supplier agrees that all relevant costs will be included in a detailed cost-break-down and that Supplier will provide all such information to Buyer. Upon agreement with Buyer, Supplier will make available qualified personnel for the purpose of value and cost analysis exercises.

VI. Set-off

In addition to any right of setoff or recoupment under law, Buyer shall be entitled to set off or reduce against amounts payable under a Purchase Contract (i) any claims against Supplier under a Purchase Contract or any other agreement or (ii) amounts Supplier owes to Buyer for any reason whatsoever.

VII. Risk of Loss and Title to Goods

Title to the Goods and risk of loss shall pass to Buyer at the time and place of delivery set forth in the Purchase Contract.

VIII. Quality and Inspection

(a) Supplier shall observe the state of the art for the design and manufacture of the Goods and comply with all quality standards, regulations, legal requirements applicable to the Goods, customer requirements specified by Buyer from time to time, Brose quality management regulations for production material (available at www.brose.net in the category purchasing in the download-center or on request from Buyer), and IMDS requirements. Supplier shall comply with all requirements necessary to timely complete Buyer's and its customer's Production Part Approval Process. Supplier shall perform inspections before delivery and shall certify inspection results in the manner requested by Buyer. Supplier shall maintain complete records of all inspection work as to a particular Good during a ten (10) years period.

(b) Supplier is obliged prior to its acceptance of the Purchase Orders to analyze and review Buyer's specifications and drawings of the Goods, and acknowledges that Buyer's specifications and drawings are sufficient and adequate to manufacture the Goods in compliance to a Purchase Contract. Supplier shall participate on request in any quality and development programs of Buyer or its customer.

(c) Buyer may inspect the Goods in process at Supplier's facilities at all reasonable times and places. Supplier shall cause its Subcontractors to grant Brose an inspection right to the same extent set forth in above sentence.

(d) Buyer is not required to perform incoming inspections of any Goods and Supplier waives any right to require Buyer to conduct any such inspection. Payment will not constitute acceptance of non-conforming Goods. Any inspection by Buyer or its Customer shall not

constitute acceptance of the Goods or a waiver of strict performance and does not relieve Supplier of any liability or warranty for the Goods.

(e) In the case of development work the approval of the developed product by Buyer will not release Supplier of its design responsibility.

IX. Competitiveness

Buyer and Supplier agree that it is of the essence of the Purchase Contract to maintain the Competitiveness of Goods. "Competitiveness of Goods" is assured if the Goods are competitive with comparable products of competitors with respect to price, technique and quality as well as delivery performance.

In the event that a comparable product is offered to Buyer for more competitive conditions, Buyer may so inform Supplier in writing and request Supplier to re-establish the complete Competitiveness of Goods within a reasonable period of time. Supplier shall immediately develop a list of improvement measures Supplier will take to re-establish the Competitiveness of Goods within the above mentioned period of time and shall provide the list to Buyer together with an adjusted offer for the Goods. Supplier shall ensure that it achieves Competitiveness of Goods on the basis of its adjusted offer for the Goods within the above mentioned period of time.

The parties agree that the obligation to maintain the Competitiveness of Goods under this section is a material obligation of the Purchase Contract.

X. Service and Replacement Parts

With respect to Goods intended to be incorporated in products for a vehicle (production material) during the term of a Purchase Contract and for fifteen (15) years after the end of serial production, Supplier shall ensure to fulfill Buyer's service and replacement parts requirements. The purchase price for such service parts during the term of the Purchase Contract shall be the then current production price set forth in the Purchase Contract. During the fifteen (15) year period after the end of serial production, the price shall be the Purchase Price in effect at the end of serial production, plus additional costs for packaging and handling to be agreed between the parties. When requested by Buyer, Supplier shall make service literature and other materials available at no additional charge to support Buyer's service part sales activities.

With respect to Goods not intended to be incorporated in products for a vehicle Supplier is obliged to ensure a service or replacement parts availability for a period of fifteen (15) years after first delivery of the Good to Buyer at fair market conditions and prices.

XI. Warranties

(a) Supplier warrants and represents to Buyer that all Goods provided under a Purchase Contract shall be: (i) in compliance with the specifications, samples, drawings and other descriptions or requirements relating to the Goods; (ii) free from any defect, including without limitation in design, workmanship and materials; (iii) merchantable; and (iv) fit for the particular purposes for which they are purchased.

(b) If Goods are reasonably determined to fail to conform with the warranties set forth herein above or set forth in a Purchase Contract ("Defective Goods"), Buyer, in its sole discretion, may (i) request Supplier at Supplier's own risk and expense to rework such

Goods or to replace such Goods with Goods that conform to a Purchase Contract or (ii) if Goods are already in the production process of Buyer or Buyer's customer, at Supplier's cost and expense have the Goods replaced or have reworked by Buyer, Buyer's customer or a third party.

In the event the Goods have already been installed in a product and delivered to Buyer's customer, and to the extent that Buyer does not receive Defective Goods from its customer for inspection, Supplier agrees to accept the determination of Buyer's customer or its agents or contractors (e.g. dealer) as a reasonable determination that the Goods are defective, without Defective Goods having been provided to Supplier for inspection.

(c) Supplier shall reimburse Buyer for all costs incurred by Buyer or charged to Buyer by its customer in connection with the delivery of a Defective Good (including without limitation costs for transport, examination, handling, sorting, mantling/dismantling, material, and work).

(d) The warranty period shall end

(i) with respect to Goods intended to be incorporated in products for a vehicle (production material)

(1) for vehicles intended for all markets except the North American markets, thirty-six (36) months following the date the vehicle in which the Goods are incorporated is first delivered to the end-user of the vehicle; and

(2) for vehicles intended for the North American markets (USA, Canada, Mexico), forty-eight (48) months following the date the vehicle in which the Goods are incorporated is first delivered to the end-user of the vehicle;

provided, however, in both cases, that if Buyer provides a longer or shorter warranty period to its customer, then such warranty period shall apply to the Goods, but in no event shall the warranty exceed sixty (60) months from the production date of the vehicle.

(ii) with respect to Goods not intended to be incorporated in products for a vehicle, thirty-six (36) months from delivery of the Goods to Buyer.

(e) The rights and remedies of the Buyer provided in this section shall not be exclusive, and are in addition to any other rights and remedies provided at law or in equity, under this agreement or any other written agreements between Buyer and Supplier.

XII. Recall and other Field Service Actions

If Buyer and/or the manufacturer of the vehicles (or other finished product) in which Goods, or any parts, components or systems comprising the Goods are installed, on its own initiative or pursuant to a government mandate, makes a recall or other field service action or customer satisfaction campaign (a "Recall"), Supplier shall be liable to Buyer for all Damages related to such Recall to the extent the Recall arises in any way from a Defective Good or Supplier's breach of any provision of the Purchase Contract.

XIII. Indemnity and Insurance

(a) Supplier shall indemnify and hold Buyer harmless from any claims (including without limitation claims for personal injury or death or property damage), damages (including without limitation all indirect and consequential damages) costs, expenses and losses directly or indirectly incurred by Buyer (collectively "Damages") arising out of or resulting

from a Defective Good or any breach by Supplier of any of its obligations under a Purchase Contract. In the event that a liability for Damages requires negligent action by law Supplier's obligation under this clause shall apply except to the extent Supplier did not act negligently.

(b) Supplier shall maintain adequate insurance coverage for its obligations under a Purchase Contract including without limitation general commercial liability, product liability and recall. Supplier shall furnish an insurance carrier's certificate showing that Supplier has such adequate insurance coverage in place.

(c) If Supplier's work under a Purchase Contract involves operations by Supplier on the premises of Buyer or one of its Customers, Supplier shall take all necessary precautions to prevent the occurrence of any injury to persons or damage to property during the progress of such work. Supplier shall defend and indemnify Buyer against any Damages resulting from Supplier's work on the premises unless Supplier did not act negligently. Supplier shall also adhere to the Brose Instructions for Outside Companies (working on site), provided on request.

(d) Supplier shall be liable for its representatives' or sub-suppliers' actions to the same extent as it is liable for its own actions.

XIV. Termination for Convenience

a) In addition to any other rights of Buyer to terminate a Purchase Contract, Buyer may terminate all or any part of a Purchase Contract at any time and for any reason by giving written notice with a reasonable notice period (basically thirty (30) days) to Supplier. Upon such termination, Buyer shall pay to Supplier the following amounts: (i) any unpaid Goods fully conforming to a Purchase Contract previously delivered and accepted by Buyer, (ii) the Purchase Price for all finished Goods which have been completed in accordance with a Purchase Contract not previously paid; and (iii) the actual direct costs of work in process and raw materials incurred by Supplier in furnishing the Goods in accordance with a Purchase Contract to the extent such costs are reasonable; less, however, the reasonable value or cost, whichever is higher, of any Goods or materials subsequently used or sold by Supplier with Buyer's written consent, and of the cost of any damaged or destroyed Goods or materials. In the cases set forth in section XIV (a) (ii) and XIV (a) (iii), Supplier shall deliver the finished Goods and raw materials on Buyer's request. Buyer's payment obligation shall arise upon delivery of the finished Goods and raw materials in accordance with a Purchase Contract.

(b) In no event will Buyer be required to pay for any finished Goods, work-in-progress or raw materials which Supplier fabricates or procures in quantities that exceed those that Buyer authorized pursuant to section II (a) of these GTCP, nor will Buyer be required to pay for any Goods or materials that are in Supplier's standard stock or that are readily marketable.

(c) Payments under this section shall not exceed the aggregate price for finished Goods that would be produced by Supplier under any Purchase Contract outstanding at the date of termination.

XV. Termination for Cause

(a) In addition to any other right of termination for cause provided by law, Buyer may by written notice to Supplier terminate all or any part of a Purchase Contract upon such terms as it shall deem appropriate, without liability or compensation under Section XIV, if:

- (i) Supplier breaches any of its material obligations under a Purchase Contract and fails to remedy such breach within a reasonable period not exceeding thirty (30) days after notice thereof;
- ii) Supplier becomes insolvent, files a petition in bankruptcy, enters into bankruptcy or dissolution proceedings, has a receiver or trustee appointed over it or executes an assignment for the benefit of creditors; or
- iii) there are substantial changes in the ownership/shareholder status of Supplier's business, as a result of which Buyer cannot be reasonably expected to continue the Purchase Contract.

(b) Unless otherwise expressly stated by Buyer, in the event of a termination by Buyer Supplier shall continue performance of a Purchase Contract to the extent not terminated.

XVI. Furnished Property

(a) Unless otherwise agreed in writing, all tooling, jigs, dies, gages, fixtures, moulds, patterns and related software, drawings and other documentation thereto (collectively, "Tooling"), equipment or material (i) furnished to Supplier by Buyer or its Customer, (ii) paid for by Buyer or to be amortized over time in the Purchase Price, (iii) and any replacement thereof, or any additions, attachments, accessories and repairs thereto, (collectively "Furnished Property"), shall be and remain property of Buyer or its Customer and shall be held by Supplier on a bailment basis.

(b) Supplier shall use the Furnished Property solely for the production of the Goods under a Purchase Contract and shall not without prior written consent of Buyer use or permit others to use Furnished Property for any other purpose.

(c) Furnished Property shall be plainly marked as the property of Buyer or its Customer and shall be safely stored separate and apart from Supplier's property. Supplier, at its own expense, shall keep Furnished Property in good condition and replace when necessary. While in Supplier's custody or control, Furnished Property shall be held at Supplier's risk and shall be insured by Supplier at Supplier's expense in an amount equal to the replacement cost, with loss payable to Buyer or its Customer. Supplier herewith assigns to Buyer any claims for payment for loss of such Furnished Property that Supplier might have against its insurer, and Buyer accepts such assignment. Supplier shall use Furnished Property in a careful and safe manner and shall indemnify and hold Buyer harmless against any claims, liabilities, expenses, and damages arising from or related to the installation, use, storage, or repair of the Furnished Property. Buyer or its Customers may enter Supplier's premises and inspect the Furnished Property and all related records during normal business hours.

(d) Supplier agrees that Buyer has the right at any time without reason and payment to remove or request return of the Furnished Property. Upon such request of Buyer, Supplier shall immediately release the Furnished Property and prepare it for shipment or deliver it to Buyer or its Customer. Buyer will pay to Supplier the reasonable cost of delivery. Supplier shall not retain possession of the Furnished Property to secure payment of amounts owed or for any other reason.

(e) Further details are settled in the tooling agreement, in the tooling purchase contract or the tooling transfer agreement.

XVII. Supplier's Tooling

(a) Supplier hereby grants Buyer an irrevocable option to take possession of and title to tooling owned by Supplier and necessary and special for the production of the Goods ("Required Tooling"), upon payment to Supplier of the present value thereof, less any amounts that Buyer has previously paid to Supplier or that are amortized in the Purchase Price of the Goods. This option shall not apply if Required Tooling is used to produce other products that are standard stock of Supplier.

(b) Supplier agrees to provide Buyer with all technical information required by Buyer to install, assemble and otherwise use the Required Tooling. Technical information shall include engineering, package and installation drawings, specifications, testing protocols and results, documents, data and other information relating to Goods and Required Tooling. Technical information may be used and disclosed by Buyer without restriction, subject to any patent or trademark right of Supplier. Any design and manufacturing information subject to an intellectual property right of Supplier may be used by Buyer for its own purposes only.

XVIII. Compliance with laws, Safety, Environmental Protection, Hazardous substances

(a) Supplier shall comply with all applicable federal, state or local laws, rules, regulations or ordinances and industry standards as to the Goods, works services or otherwise in the performance of a Purchase Contract. Supplier specifically warrants that the Goods shall be in compliance with applicable product safety, environmental and labour regulations as well as the latest version of Brose standard BN 588619 (available from Buyer on request).

(b) Supplier shall be responsible for compliance with relevant "hazardous goods regulations". In particular, Supplier shall be responsible for ensuring that when dealing with hazardous goods and substances, only personnel who have been specially trained for dealing with such goods and substances are deployed, and that only devices, boxes and facilities that are approved for the transportation of these hazardous goods and substances on public roads are used.

Supplier shall provide an overview of all hazardous goods and substances which it handles concerning the processing of Purchase Orders and shall maintain the corresponding security data sheets. Supplier shall indemnify and hold Buyer harmless from any damage incurred by Buyer due to Supplier's improper or illegal dispositions of hazardous goods and substances.

(c) Supplier shall provide Buyer with appropriate installation, operation and maintenance manuals, including all specific warnings or instructions, in the language of Buyer and in English or the language specified in the Purchase Contract to maximize the useful life and performance of the Goods. Supplier shall provide Material Safety Data Sheets as appropriate for the Goods.

XIX. Non-Assignment

Supplier may not assign or subcontract any right or obligation under a Purchase Contract without the prior written consent of Buyer.

XX. Force Majeure

Any delay or failure to perform under a Purchase Contract as a result of a Force Majeure Event without the affected party's fault or negligence will be excused for so long as such event or occurrence continues; provided, however, that the affected party gives written notice of each such delay (including the anticipated duration of the delay) to the other party as soon as possible after the event or occurrence; but in no event more than three (3) days thereafter. Force Majeure Events include acts of God and natural disasters such as fires, floods, earthquakes, hurricanes or other extreme natural events, riots, wars, sabotage, acts of terrorism and other such unforeseeable circumstances beyond the reasonable control of the affected party. During any such delay or failure to perform by Supplier and for a reasonable time thereafter, Buyer may (i) purchase substitute Goods from other available sources, in which case the quantities on the affected Purchase Order may be reduced by the quantities of such substitute Goods and/or (ii) require Supplier to provide substitute Goods from other available sources in quantities and at times as Buyer requests, and at prices set forth in the Purchase Contract. If Supplier fails to provide adequate assurance that any delay will not exceed thirty (30) days, or if any delay lasts more than thirty (30) days, Buyer may terminate the Purchase Contract without any liability to Supplier or obligation to purchase raw materials, work-in-process or finished Goods under section XIV of this GTCP.

XXI. Confidentiality

Supplier shall keep confidential any technical, process or economic information derived from drawings, specifications, blueprints or other documents or data, including any copies thereof, furnished by Buyer in connection with a Purchase Order or Contract ("Confidential Information") and shall not disclose or use, directly or indirectly, such Confidential Information for the benefit of Supplier or any third party except with Buyer's prior written consent or as required for the efficient performance of the Purchase Contract. This nondisclosure obligation does not extend to information which Supplier has obtained from a third party in a manner permissible under law and on a non-confidential basis, and information that is in the public domain. Supplier shall also require its sub-suppliers to adhere to the confidentiality provisions set forth in this section.

XXII. Intellectual Property and License

(a) Supplier warrants that Buyer's intended use of the Goods will not infringe any intellectual property rights of any third party. Supplier shall indemnify and hold Buyer harmless from and against all suits and from all damages, claims and demands for actual or alleged infringement of any domestic or foreign patent, copyright or other intellectual property right by reason of the use or sale of the Goods.

(b) To the extent intellectual property rights of Supplier are necessary for the manufacture or use of the Goods Supplier grants Buyer a worldwide, irrevocable, paid up right to use, repair or rebuild, and to have used, repaired or rebuilt, any Goods supplied under a Purchase Contract.

(c) To the extent standard user software is purchased by Buyer the right according to section (b) above shall be freely assignable. The Supplier shall be required to put the necessary software at Buyer's disposal. An additional reimbursement for a parallel multiple use is expressly excluded. The supplier shall warrant that the software delivered by him is free of any virus or similar defects.

(d) If a Purchase Contract contains development work compensated by Buyer, any development results shall become the property of Buyer. Supplier grants to Buyer an irrevocable, nonexclusive, paid-up, worldwide license with the right to grant sublicenses to use or have used any patent, copyright, industrial design right or other intellectual property rights arising from such development work or reasonably necessary for Buyer for the use of development results.

XXIII. No Publicity

Supplier shall not advertise or publicly refer to the business relationship with Buyer or the Goods without Buyer's prior written approval.

XXIV. General Conditions

(a) Unless otherwise expressly stated in the Purchase Contract the formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder, shall be governed by the laws of the country (or state) where Buyer's principal place of business is located. The provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict-of-laws provisions are expressly excluded. Buyer and Supplier consent to the exclusive jurisdiction of the courts having jurisdiction over Buyer. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

(b) If any term(s) of these GTCP is held to be invalid or unenforceable under any statute, regulation, ordinance, or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, or other rule of law, and the remaining provisions of these GTCP shall remain in full force and effect.

(c) The failure of either party at any time to require performance by the other party of any provision of a Purchase Contract shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver by either party of a breach of any provision of a Purchase Contract constitute a waiver of any succeeding breach of the same or any other provision.

(d) A Purchase Contract (incorporating these GTCP) is intended by the parties as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties, nor usage of trade, may be used by Supplier to supplement or explain any term used in a Purchase Contract. All modifications must be in a writing signed by Supplier and Buyer, except as otherwise provided in a Purchase Contract.

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for Belgium**

The special provisions for Belgium constitute an addendum to the GTCP for Purchase Orders placed by Brose Gent BVBA or any other company of the Brose Group having its principle place of business in Belgium.

The following sections are amended solely in the respects set forth hereinafter:

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of Belgium. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The Parties consent to the exclusive jurisdiction of the courts having jurisdiction over Buyer. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for Brazil**

The special provisions for Brazil constitute an addendum to the GTCP for Purchase Orders placed by Brose do Brazil Ltda or any other company of the Brose Group having its principle place of business in the Federal Republic of Brazil.

The following sections are amended solely in the respects set forth hereinafter:

II. Quantities, Dates

At the end of Section (b) the following shall be added:

IT IS IMPERATIVE THAT THE SUPPLIER COMPLIES WITH THE QUANTITY AND PERIOD OR DELIVERY DATE DUE TO THE FACT THAT BROSE DO BRASIL IS A JUST IN TIME PLANT. VARIATIONS IN DEMANDS DUE TO PRODUCTION REPROGRAMMING OF BUYER CUSTOMERS SHALL BE MET BY THE SUPPLIER TO THE FULLEST EXTENT, except if otherwise agreed in writing between the parties.

XIII. Indemnity and Insurance

Section (a) shall be replaced as follows:

1. Without restrictions of any other indemnification provisions provided by law, the Supplier will defend, indemnify and exempt Buyer, its successors, assignees and third party from any loss, damage, fine, penalty, judicial or extrajudicial lawsuit, expense, worker's compensation or other liability due to any illegal act, propriety damage, physical injury, damage caused by the act or any other damage resulting from or related to the Products or the Product's supply, whereas, however, the Supplier will in no way be hold responsible for any of the precedents if they are solely and exclusively caused by negligence or intended bad conduct by Buyer, its representatives or employees.
2. In the same way the Supplier will defend, indemnify and exempt Buyer, its successors, assignees and third party from all and any action, judicial or extrajudicial lawsuit, loss, responsibility, cost, expense, including legal fees and damages (including but not limited to any special damages, incidental or direct and liability for propriety damages, physical injury and death, caused by the Supplier, his suppliers, service providers, agents and employees to Buyer, its successors, assignees and/or any third party, if such claim results or is originated from, or in conjunction with: (a) any Product's defect caused by project error or imprecise or incomplete Products Specifications; (b) any material or workmanship defect; (c) any violation of laws and regulations applicable to Product manufacture and sales by the Supplier; and (d) any failure or intentional or negligent act or omission by the Supplier, his employees, agents or service providers, if applicable.

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) THE FORMATION OF A PURCHASE CONTRACT, ITS VALIDITY, TERMINATION, INTERPRETATION, EXECUTION AND THE SETTLEMENT OF ANY DISPUTE HEREUNDER, SHALL BE GOVERNED AND INTERPRETED PURSUANT TO THE LAWS OF THE FEDERAL REPUBLIC OF BRAZIL AND ALL AND ANY DISPUTE ARISING FROM A PURCHASE CONTRACT AND THE RELATIONS BETWEEN THE PARTIES SHALL BE SETTLED BY THE COMPETENT COURT OF THE CITY OF SÃO JOSÉ DOS PINHAIS, STATE OF PARANÁ, BRAZIL. THE BUYER AT HIS DISCRETION SHALL HAVE THE RIGHT TO BRING A CLAIM AGAINST SUPPLIER BEFORE A COURT AT THE SUPPLIER'S PRINCIPLE PLACE OF BUSINESS AS WELL.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)

Special Provisions for China

The special provisions for China constitute an addendum to the GTCP for Purchase Orders placed by Brose Changchun Automotive Systems Co. Ltd., Shanghai Brose Automotive Components Co. Ltd., Brose Zhangjiagang Automotive Systems Co. Ltd. or Brose Shanghai Automotive Systems Co. Ltd., or any other company of the Brose Group having its principle place of business in the People's Republic of China.

The following sections are amended solely in the respects set forth hereinafter:

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The law of the People's Republic of China shall be applicable to the formation of a Contract, these GTCP, their validity, termination, interpretation, execution and the settlement of any dispute hereunder and hereunder. The provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict-of-laws provisions are expressly excluded.

Any disputes or claims arising from the execution of or in connection with a Contract or these GTCP shall be solved by friendly consultation between both parties. If the dispute hasn't been solved by friendly consultation between both parties in 60 days after its occurrence, the dispute shall exclusively and finally be settled by China International Economic and Trade Arbitration Commission and arbitrated in accordance with the Commission's arbitration rules in effect at the time of applying for arbitration. The place of arbitration shall be Beijing. The decision of arbitration is final and binding to both parties. The costs of the arbitration shall be borne by the party or the parties as designated in the arbitration award. In the process of arbitration, the parties shall continue to exercise their respective rights and fulfill their respective obligations except insofar as rights and obligations in relation to the dispute are concerned. The language of arbitration shall be Chinese; however either Party shall be entitled to ask for English translations of all documents related to the arbitration proceedings and of English interpreters during any hearing with related costs to be shared between the Parties. The arbitration tribunal shall consist of three arbitrators, appointed in accordance with the arbitration rules of above Commission.

The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

A new section (e) shall be added as follows:

(e) These GTCP are written in the English and the Chinese languages with both language versions equally authentic.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for Eastern Europe**

The special provisions for Eastern Europe constitute an addendum to the GTCP for Purchase Orders placed by Brose CZ, spol. s.r.o., Brose Bratislava spol s.r.o. or any other company of the Brose Group having its principle place of business in Czech Republic, Slovakia or another country in Eastern Europe.

- 1) In case the Supplier has its principle place of business in another country than the company of the Brose Group the following sections are amended solely in the respects set forth hereinafter:**

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of Federal Republic of Germany. The GTCP with the amendments set forth in the Special Provisions for Germany except Section XXIV (a) shall apply. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The parties consent to the jurisdiction and convenience of the courts of Coburg, Germany. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

- 2) In case and only in case a Purchase Order is placed by Brose CZ spol. sr.o. or Brose Bratislava spol. sr.o with a Supplier having its principle place of business in the Czech Republic or Slovakia the following sections are amended solely in the respects set forth hereinafter:**

VIII. Quality and Inspection

Section (d) shall be replaced as follows:

(d) Buyer is required to perform incoming inspections of Goods only to the extent of identity, quantity, transport and other apparent damages. Supplier insofar waives any right to require Buyer to conduct any such inspection. Payment will not constitute acceptance of non-conforming Goods. Any inspection by Buyer or its Customer shall not constitute acceptance of the Goods or a waiver of strict performance and does not relieve Supplier of any liability or warranty.

XI. Warranties

Section (c) shall be replaced as follows:

(c) Supplier shall compensate to Buyer any and all damage incurred by Buyer in connection with the delivery of a Defective Good (in particular the damage consisting in additional costs for transport, examination, handling, sorting out, mantling/dismantling, material, work).

XXIV. General Conditions

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of the Czech Republic and both parties agree to submit to the Courts of the City of Prague. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded.

In case and only in case a Purchase Order is placed by Brose Bratislava with a Supplier having its principle place of business in Slovakia the Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder is shall be governed under the laws of Slovakia. The Convention on the International Sales of Goods shall not apply, provided the parties' choice of law is enforced. The parties consent to the jurisdiction and convenience of the courts of Bratislava.

The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for Germany**

The special provisions for Germany constitute an addendum to the GTCP for Purchase Orders placed by Brose Fahrzeugteile GmbH & Co. KG, Coburg or any other company of the Brose Group having its principle place of business in the Federal Republic of Germany.

The following sections are amended solely in the respects set forth hereinafter:

VIII. Quality and Inspection

Section (d) shall be replaced as follows:

(d) Buyer is required to perform incoming inspections of Goods only to the extent of identity, quantity, transport and other apparent damages. Supplier insofar waives any right to require Buyer to conduct any such inspection. Payment will not constitute acceptance of non-conforming Goods. Any inspection by Buyer or its Customer shall not constitute acceptance of the Goods or a waiver of strict performance and does not relieve Supplier of any liability or warranty.

XI. Warranties

Section (a) to (c) shall be replaced as follows:

(a) Supplier warrants and represents to Buyer that all Goods shall be: (i) in strict compliance with the specifications, samples, drawings or other descriptions or requirements relating to the Goods; (ii) free from any defect in design, workmanship and materials; (iii) merchantable; (iv) fit for the particular purposes for which they are purchased. Goods that are reasonably determined to fail to conform to the warranties set forth herein above or in a Purchase Contract are referred to as "Defective Goods".

In the event the Goods have already been installed in a product and delivered to Buyer's customer, and to the extent that Buyer does not receive Defective Goods from its customer for inspection, Supplier agrees to accept the determination of Buyer's customer or its agents or contractors (e.g. dealer) as a reasonable determination that the Goods are defective, without Defective Goods having been provided to Supplier for inspection.

(b) The remedies according to applicable law apply. If Goods are already in Buyer's or Buyer's customer's production process, the parties agree that a notice with a period for remedy is legally superfluous.

(c) Furthermore Supplier shall reimburse Buyer for all costs incurred by Buyer in connection with the repair or replacement of a Defective Good (including without limitation costs for transport, examination, handling, sorting out, mantling/dismantling, material, work).

XIII. Indemnity and Insurance

Section (a) shall be replaced as follows:

(a) To the extent not otherwise agreed in this GTCP or in a Purchase Contract any indemnification for damages shall be according to applicable law. In case a claim is brought against Buyer for a liability not based on fault the Supplier shall hold Buyer harmless to the extent the Supplier would be directly liable.

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder, shall be governed by the laws of the Federal Republic of Germany. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The Parties consent to the exclusive jurisdiction of the courts of Coburg. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for North America**

These special provisions for North America constitute an addendum to the GTCP for Purchase Orders placed by a company of the Brose Group having its principle place of business in the United States of America, Canada or Mexico.

The following sections are amended solely in the respects set forth hereinafter:

XIII. Indemnity and Insurance

Section (a) shall be replaced as follows:

(a) To the fullest extent permitted by law, Supplier shall indemnify and hold harmless Buyer, Buyer's customer, and all of their officers, employees, agents, representatives, successors and assigns against all claims (including without limitation claims for personal injury or death or property damage), damages (including without limitation all indirect and consequential damages), costs, expenses, (including without limitation reasonable attorneys and other professional fees), and all losses directly or indirectly incurred by Buyer (collectively, "Damages") arising out of or resulting from a Defective Good or any breach by Supplier of any of its representations or obligations under a Purchase Contract. In the event that liability for Damages requires negligent action by law, Supplier's obligations under this section shall apply except to the extent Supplier did not act negligently. If labor of any sort is provided to Buyer, by Supplier or any of its employees, subcontractors or agents, Supplier agrees to defend, indemnify and hold harmless Buyer, its shareholders, officers, directors, employees, customers and users of its products, against all liability, claims or demands for injuries or damages to any person or property arising out of Supplier's performance of this Purchase Contract.

XVIII. Compliance with Laws on Safety, Environmental Protection, Hazardous Substances

Section (a) shall be replaced as follows:

(a) Supplier shall comply with all applicable federal, state or local laws, rules, regulations or ordinances and industry standards as to the Goods or Services and otherwise in the performance of a Purchase Contract. Supplier warrants, without limitation, that the Goods shall be in compliance with applicable product safety, environmental and labor regulations, as well as the latest version of Brose standard BN 588619 (available from Buyer on request).

If Goods are intended determined to be incorporated in products intended for the US market, Supplier specifically warrants without limitation that each chemical substance constituting or contained in the Goods is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 *et seq.*) as amended, and that the Goods shall be in compliance with applicable sections of the Federal Consumer Product Safety Act (15 U.S.C. Sec. 2051 *et seq.*) as amended, and the Federal Hazardous Substances Act (15 U.S.C. 1261 *et seq.*), and are not considered hazardous under any state or federal law except as clearly stated on the shipping and storage containers. Supplier shall defend, indemnify, and hold harmless Buyer from any claim alleging improper or illegal disposition of the Goods except for grossly negligent dispositions.

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution, and the settlement of any dispute hereunder, shall be governed by the laws of Michigan. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The parties consent to the jurisdiction and venue of the state and federal courts of Michigan. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

Solely in the event that a Purchase Order is placed by Brose Mexico S.A. de CV or by Brose Puebla S.A. de CV with a Supplier having its principle place of business in Mexico, the Purchase Contract, the validity, termination, interpretation, execution, and the settlement of any dispute under such Purchase Order, shall be governed by the laws of Mexico, and both parties agree to submit to the Courts of the City of Queretaro, State of Queretaro, Mexico, and waive the right of trial in any other court jurisdiction to which they might be entitled as a result of current or future domicile. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded.

Solely in the event that a Purchase Order is placed by Brose Canada Inc. with a Supplier having its principle place of business in Canada, the Purchase Contract, its validity, termination, interpretation, execution, and the settlement of any dispute hereunder, shall be governed under the laws of Ontario. The Convention on the International Sales of Goods shall not apply, provided the parties' choice of law is enforced. The parties consent to the jurisdiction and venue of the courts of London/Ontario.

Solely in the event that a Purchase Order is placed by Brose Mexico S.A. de CV or by Brose Puebla S.A. de CV with a Supplier having its principle place of business in Mexico, the following new Sections shall be added to the GTC:

XIII. (e) Buyer reserves the right to demand from the Supplier a performance bond from an authorized bonding company chosen by Buyer, for all the Supplier's obligations set forth in this Addendum or in the Purchase Contracts in order to guarantee Supplier's work performance according to Mexican laws. If such a bond is required, Buyer is not obligated to meet any of its obligations set forth in this document until the Supplier provides such a Bond. In the event of any breach by Supplier of any of its representations or obligations under a Purchase Contract, Buyer shall be entitled to collect the bond.

XXV. Labor Responsibility

The Supplier recognizes that it is an independent contractor and in accordance with Article 13 of the Mexican Federal Labor Law, it has own and sufficient elements to comply with its obligations with respect to its workers, employees and representatives. The Supplier shall unconditionally assume the responsibilities of an employer, and therefore all its representatives, workers, and employees involved in the production of Goods or execution of services under a Purchase Contract, shall exclusively depend on the Supplier, who will be solely responsible for the work contracts, the salary payments and other benefits, as well as for fees to be paid to the Mexican Social Insurance Company (IMSS), the National Fund of Living for Workers (INFONAVIT), the Pension Savings System (SAR), and taxes related thereto.

In particular Supplier does not approve the forced labor, child work, disciplinary abuses or any other violation to the local laws, as well as any harassment and discrimination, attempts to the security and health of the employees, out law salaries and benefits, abuses of the freedom of association and working hours.

Even when the Supplier is working inside the facilities of Buyer, Buyer shall not be held responsible for any claims caused by such working relationship. The Supplier agrees and undertakes to indemnify and hold the Buyer safe and harmless from any claims, including labor claims, brought against the Buyer by the representatives, workers and employees involved in the production of Goods or execution of services under a Purchase Contract, whether directly employed by the Supplier or by any third party.

End of addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for Portugal**

The special provisions for Portugal constitute an addendum to the GTCP for Purchase Orders placed by Brose Sistemas de Fechaduras para Automóveis unipessoal, Lda. or any other company of the Brose Group having its principle place of business in Portugal.

The following sections are amended solely in the respects set forth hereinafter:

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of Portugal. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The parties consent to the jurisdiction and convenience of the courts of Lissabon. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)

Special Provisions for South Africa

The special provisions for South Africa constitute an addendum to the GTCP for Purchase Orders placed by RG Brose Automotive Components Pty. Ltd or any other company of the Brose Group having its principle place of business in South Africa.

The following sections are amended solely in the respects set forth hereinafter:

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of South Africa. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The parties consent to the jurisdiction and convenience of the courts of Brits. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for Spain**

The special provisions for Spain constitute an addendum to the GTCP for Purchase Orders placed by Brose S.A. or any other company of the Brose Group having its principle place of business in Spain.

The following sections are amended solely in the respects set forth hereinafter:

VIII. Quality and Inspection

Section (d) shall be replaced as follows:

(d) After receipt of the shipment, Buyer will examine the identity and quantity, and will check the shipment for obvious transport-damages. If any damage or fault is detected, Brose will inform the supplier immediately. If during this examination no damage is detected, but within the conditions of a proper course of business, Brose will inform the supplier of the damage within reasonable period of time, in accordance with custom and usage, which, under no circumstances, will be less than 60 days as from the date of delivery and transfer of property.

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of Spain. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The parties consent to the jurisdiction and convenience of the courts of Vilafranca del Penedès, Spain. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for Sweden**

The special provisions for Sweden constitute an addendum to the GTCP for Purchase Orders placed by Brose Sweden AB or any other company of the Brose Group having its principle place of business in Sweden.

The following sections are amended solely in the respects set forth hereinafter:

XVI. Furnished Property

At the end of section (a) the following sentence shall be added:

"Buyer may at its sole discretion register its ownership in the Tooling with the Swedish Enforcement administration and Supplier shall assist Buyer in such registration."

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of Sweden. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The parties consent to the jurisdiction and convenience of the courts of Gothenburg, Sweden. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum

**Addendum to
Global Terms and Conditions of Purchase** (issue: May, 2006)**Special Provisions for United Kingdom**

The special provisions for United Kingdom constitute an addendum to the GTCP for Purchase Orders placed by Brose Limited or any other company of the Brose Group having its principle place of business in the United Kingdom.

The following sections are amended solely in the respects set forth hereinafter:

XXIV. General Conditions

Section (a) shall be replaced as follows:

(a) The formation of a Purchase Contract, its validity, termination, interpretation, execution and the settlement of any dispute hereunder shall be governed by the laws of England. The provisions of the United Nations Convention on Contracts for the International Sale of Goods, and any conflict-of-laws provisions that would require application of another law, are expressly excluded. The Parties consent to the exclusive jurisdiction of the courts of Birmingham, UK. The Buyer at his discretion shall have the right to bring a claim against Supplier before a court at the Supplier's principle place of business as well.

End of Addendum