

§ 1: General; Offer and Acceptance of Contract

1.1

The attached purchase order and any other purchase order ("Order") issued by the affiliate or subsidiary of Kongsberg Automotive Holding ASA identified on the face of the Order ("Buyer") is Buyer's offer to the seller identified on such Order and its applicable affiliates and subsidiaries ("Supplier") to enter into an agreement for the purchase of goods and/or services described in the Order (together, the "Goods"), and incorporates and is governed exclusively by these terms and conditions (collectively, the "Terms").

1.2

The Order supersedes all prior or contemporaneous agreements, orders, quotations, proposals and other communications, terms or conditions between Buyer and Supplier regarding the Goods, and the Order does not constitute an acceptance of any offer or proposal made by Supplier. Any Supplier quotation, proposal, response, counter-offer or similar undertaking relating to the Goods or otherwise is expressly rejected and is replaced in its entirety by the offer made through the Order.

1.3

Supplier has read, understands and fully accepts the Order and these accompanying Terms, and a binding contract shall be deemed to have been created upon Supplier doing any one of the following (a) shipping any Goods to Buyer, (b) commencing any work under the Order, (c) accepting the Order in writing or otherwise, or (d) undertaking any other conduct that recognizes the existence of a contract with respect to the subject matter of the Order. Supplier's acceptance of the Order is expressly limited to these Terms and the description of the Goods on the face of the Order, however, no purported acceptance of the Order on any terms or conditions which modify, supersede, supplement or otherwise alter these Terms shall be binding upon Buyer and such terms or conditions shall be deemed rejected and replaced by these Terms, unless Buyer expressly accepts such other terms or conditions in a written instrument signed by an authorized representative of Buyer notwithstanding Buyer's acceptance of or payment for any shipment of Goods or other act by Buyer.

1.4

Supplier expressly acknowledges that Kongsberg Automotive Holding ASA ("Kongsberg") or any affiliate or subsidiary thereof may from time to time coordinate purchasing goods and services for Buyer, including issuing orders containing the name or logo of Kongsberg. Accordingly, Supplier acknowledges and agrees that the Order shall be binding only on the specific Buyer identified on the face of this Order as the purchaser of the Goods, and that neither Kongsberg nor any of its affiliates or subsidiaries, except for Buyer, shall be parties to or guarantors of any obligations or liabilities of Buyer under the Order.

§ 2: Quantity; Delivery Schedules

2.1

The quantity and delivery dates of Goods applicable for the Order shall be as stated on the Order, as supplemented on Buyer's Delivery Schedules applicable to the Order.

2.2

Unless the Order requires Supplier to manufacture, ship and/or provide a specified quantity of Goods, the Order shall be deemed a requirements contract, under which Supplier is required to supply Buyer's requirements which shall be defined as those quantities ordered by Buyer from time to time as described in written Delivery Schedules issued by the Buyer from time to time. The quantity specified may be for up to one hundred percent of Buyer's requirements for the Goods, however, notwithstanding anything to the contrary in the Order, Supplier is obligated to provide Goods to Buyer in at least the quantity and for at least the period specified in any Delivery Schedules, and Buyer shall have no obligation or liability beyond the quantity specified as firm in such Delivery Schedules.

Buyer's requirements are determined by the needs of Buyer's customers and such needs may change from time to time. Any projected or estimated volumes provided by the Buyer to Supplier (including forecasted volumes in any requests for quotation) are for planning purposes only and do not represent a commitment or obligation to purchase the estimated or forecasted volumes. Unless the Order specifically provides that Supplier shall produce one hundred percent of Buyer's requirements for the Goods, Buyer shall have the right to obtain any portion of the Goods from other sources.

2.3

Supplier is expected to comply with a new Delivery Schedule or amendment thereto issued by Buyer within twenty four (24) hours of receipt thereof and under any circumstance the Supplier shall be bound to comply therewith, unless the Supplier notifies his reasonable objection thereto in writing within five (5) Days after receipt of the Delivery Schedule or amendment thereto.

§ 3: Changes

3.1

Buyer reserves the right to direct changes, or to cause Supplier to make changes, to designs, drawings, specifications, samples, descriptions, methods of packing, shipping, labeling and the date or place of delivery of the Goods covered by the Order. Buyer also reserves the right to otherwise change the scope of the work covered by the Order, including work with respect to inspection, testing or quality control. Buyer may also direct the supply of raw materials from itself or from third parties. Any such changes shall be deemed not to affect the time for performance or the cost under the Order, unless Supplier provides Buyer with written notice of, including reasonable evidence supporting, a claim for price or delivery adjustment based solely on such change, within ten (10) Days after Buyer's notice to Supplier of such change. Supplier shall promptly comply with and implement any change ordered by Buyer regardless of whether Supplier has or intends to notify Buyer of consequences of the change and regardless of whether the Parties may not be in agreement with regard to the impact of such changes. The Parties shall as soon as possible start discussions in good faith to reach agreement on the consequences of any changes. In no case will Buyer be bound by any Supplier request or demand for a change in price, delivery time or other term unless first approved in writing by an authorized representative of Buyer.

3.2

Supplier will not make any change in the Goods' design, specifications, processing, packing, marking, shipping, price or date or place of delivery except at Buyer's written instruction or with Buyer's prior written approval signed by an authorized representative of Buyer.

§ 4: Termination

4.1

Buyer may terminate immediately all or any part of each Order, without any liability to Buyer and Supplier shall reimburse Buyer for all costs incurred by Buyer in connection with any of the following, including without limitation attorney's and other professional fees, if the Supplier: (a) repudiates, breaches or threatens to breach any of the terms of the Order, provided that Supplier is unable to remedy that breach within five (5) Days of written notice from Buyer; (b) fails or threatens not to deliver Goods or perform services in connection with the Order; (c) fails to make progress or to meet reasonable quality requirements so as to endanger timely and proper completion or delivery of Goods; (d) enters or offers to enter into a transaction that includes a sale of a substantial portion of its assets used for the production of Goods for Buyer or a merger, sale or exchange of stock or other equity interests that would result in a change in control of Supplier; or (e) becomes insolvent, set under receivership or bankruptcy or insolvency proceedings of any nature are commenced in relation to Supplier.

4.2

In addition to any other rights of Buyer to terminate the Order, Buyer may at its option, immediately terminate for convenience all or any part of any Order at any time and for any reason by giving written notice to Supplier. Upon termination by Buyer for convenience under this Section, Buyer shall pay to Supplier the following amounts without duplication: (a) the Order price for all finished Goods which conform to the requirements of the Order and not previously paid for; (b) Supplier's reasonable actual cost of the work-in-process and parts and materials duly transferred to Buyer in accordance with this Section; and (c) Supplier's reasonable actual cost incurred by canceling its subcontracts. Buyer shall not be liable for and shall not be required to make payments to Supplier, directly or on account of claims by Supplier's subcontractors, for any other alleged losses or costs, whether denominated as loss of anticipated profit, unabsorbed overhead or, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, general and administrative burden charges resulting from termination of the Order or otherwise. Within twenty (20) Days after the effective date of termination for convenience under this Section, Supplier shall furnish to Buyer its claim for compensation, which shall consist exclusively of the items of Buyer's obligation to Supplier that are listed above, together with all supporting data. Any Supplier compensation claim after said twenty (20) Day period will not be considered by Buyer. Buyer may audit Supplier's records before or after payment to verify amounts requested in Supplier's termination claim. Notwithstanding anything herein to the contrary, Buyer's obligation to Supplier upon termination for convenience pursuant to this Section shall not exceed the obligation Buyer would have had to Supplier in the absence of termination.

4.3

Upon receipt of notice of termination pursuant to the Sections above, Supplier, unless otherwise directed in writing by Buyer, shall: (a) terminate immediately all work under the relevant Order (to the extent, if any, specified in the termination notice); (b) transfer title and deliver to Buyer the finished work, the work-in-process, and any Buyer owned tooling, parts and materials (including without limitation raw materials) which Supplier produced or acquired and which Buyer requests; (c) settle all claims by subcontractors, if any, for reasonable actual costs that are rendered unrecoverable by such termination and forward such costs to Buyer insofar as they are covered by Buyer's material authorization; (d) take actions reasonably necessary to protect Buyer property in Supplier's possession; and (e) upon Buyer's request, cooperate with Buyer in effecting the re-sourcing of the Goods covered by the Order to a different supplier designated by Buyer.

Buyer shall have the right at any time after termination to inspect and/or take possession of all unused raw materials, finished work, and work in process or tooling in the possession of Supplier and owned by Buyer.

4.4

Upon the expiration or earlier termination of an Order for whatever reason, Supplier agrees to take such actions as may be reasonably requested by Buyer to transition the supply of Goods from Supplier to an alternative supplier.

§ 5: Delivery Times and Delay

5.1

Supplier acknowledges that delivery times and quantities are of the essence and Buyer may reject and/or return at Supplier's expense any delivery of Goods or part thereof received before or after the delivery date or in excess of the quantity specified in the Order and/or Delivery Schedules. Supplier shall deliver the Goods on a "just-in-time" basis, that is, at an appointed time of delivery immediately prior to standard production without delay, such time and timing to be set out in the applicable Delivery Schedules.

5.2

Supplier will inform Buyer immediately of any occurrence which will or may result in any delay of delivery at any time or which will or may result in Supplier's inability to fulfill the quantities specified in the Order and/or Delivery Schedules. Supplier shall also advise Buyer in writing of corrective measures which Supplier is taking to minimize the effect of such occurrence.

5.3

Except as described in Section 5.4, in the event that Supplier fails to deliver any Goods strictly in accordance with the delivery dates specified in the Order and/or applicable Delivery Schedules, in addition to any other rights and remedies available to Buyer in the Order or under applicable law, Buyer shall be entitled to: (a) entirely or partially cease the purchases of the Goods that the Buyer determines, in its sole discretion, is no longer required due to such delay; (b) purchase the Goods from third parties or other sources; and (c) recover from Supplier all losses and damages caused directly or indirectly by the failure to deliver on time, however Supplier is not liable for Buyer's loss of profit unless Supplier has exceeded the delivery dates specified in the Order and/or applicable Delivery Schedules with more than ten (10) Days.

5.4

Either Buyer or Supplier may suspend performance of its obligations under the Order if and to the extent directly caused by an occurrence beyond its reasonable control, which was not reasonably foreseeable at the time of acceptance of the Order and occurred without fault or negligence of the Party affected, such by way of example but not limited to: as acts of God or public enemy, actual or threatened terrorist activities and measures implemented by any governmental body to avoid or mitigate the consequence thereof, restrictions or prohibitions imposed by governmental authority, embargoes, fires, floods, hurricanes, earthquakes, epidemics, delays of similar natural or governmental causes, and strikes or labor disputes (but excluding strikes and labor disputes which only affect Supplier and/or its subcontractors) ("Excusable Delay"). Notwithstanding the above, however, Supplier shall be entitled to the above right to suspend performance for Excusable Delay only if Supplier immediately notifies Buyer in writing upon Supplier discovering, or ought to have discovered, any fact which may, or could with the passage of time, result in an Excusable Delay, and Supplier uses its best endeavors to take all measures and precautions to reduce the effect of the Excusable Delay. Nothing contained in this Section shall limit Buyer's rights under other provisions of these Terms.

For the duration of any Excusable Delay, Buyer shall be entitled to obtain the Goods covered by the Order from other sources and to reduce without any liability or obligation to Supplier, the quantity of the Goods specified in the Order and/or applicable Delivery Schedules. Supplier will notify Buyer immediately of any actual or potential labor dispute delaying or threatening to delay timely performance of any part of the Order or Delivery Schedule and will include all relevant information. Notwithstanding the above, if Buyer does not receive from Supplier satisfactory assurances that any Excusable Delay will not exceed thirty (30) Days, or if any Excusable Delay exceeds thirty (30) Days, Buyer may terminate the Order without liability and Supplier shall reimburse Buyer for costs associated with such cancellation.

§ 6: Packaging; Shipping; Transfer of Risk

6.1

Goods shall be suitably, carefully and appropriately packed and always in accordance with Buyer's packaging instructions.

6.2

If the Incoterm "FCA" or "EXW" has been specified in the Order or applicable Delivery Schedule in relation to the Goods, all consignments will be shipped by the transport provider and by the mode of transport prescribed by Buyer, in which case Supplier shall support Buyer to ensure that transportation of the Goods is undertaken in the most cost-effective manner in accordance with this Section. Supplier will give the following data to the transport provider in writing: "shipping location and loading depot", "quantity and type of loading units", "gross weight and storage area requirements", "date of delivery" and "delivery depots". Delivery notes must always accompany the Goods and be made in writing.

6.3

Supplier shall provide ninety 90 Days prior written notice to Buyer before changing the location of the manufacture and/or dispatch of the Goods. Before Supplier may affect such change all quality related requirements for the new location must be demonstrated in the form of a quality plan to be approved by Buyer. Supplier shall provide Buyer with a detailed description regarding the impact on price and delivery times due to the relocation of the manufacture and/or dispatch of the Goods. In the event that extra costs for transportation and expediting will occur due to the change of

manufacturing location or dispatch, such extra additional costs shall be covered by the Supplier.

6.4

Unless otherwise provided in the Order or other document signed by an authorized representative of Buyer, (a) the time at which the risk of damage to or loss of the Goods shall pass to Buyer shall be in accordance with the Incoterm agreed in the Order, and (b) the Goods shall be deemed to be sold FCA, with named place being the premises of Supplier where the Goods are ready for dispatch.

§ 7: Inspection; Nonconforming Goods

7.1

Upon prior written notice, Supplier agrees to permit Buyer access to Supplier's facilities at such reasonable times as determined by Supplier for inspection and testing of goods by Buyer, its customers and/or their named agents and will provide all tools, facilities and assistance reasonably necessary for such inspection and testing at no additional cost to Buyer, provided, however, that such party shall not unreasonably interfere with Supplier's operations or personnel, shall be accompanied by Supplier personnel in connection therewith and shall keep confidential all information, drawings, specifications or data obtained or otherwise disclosed in connection therewith. Such Goods may be subject to final inspection, testing and acceptance by Buyer after delivery to Buyer. It is expressly agreed that inspections and/or payments prior to delivery will not constitute final acceptance.

7.2

If any Goods ordered hereunder do not meet the specifications or otherwise do not strictly conform with the requirements of the Order, Buyer shall have the right to reject such Goods. Upon such delivery and rejection, in addition to any other rights and remedies it may have under applicable law or these Terms, Buyer shall have the right to return such Goods for replacement or correction by Supplier. Buyer may also exercise its rights under Section 5.3. The packaging, storage and handling expenses incidental thereto, and the applicable transportation cost will be charged to Supplier's account and paid by Supplier.

§ 8: Pricing; Settlement of Accounts and Payment

8.1

Except as expressly stated in the Order, the price of the Goods includes storage, handling, packaging and all other expenses and charges of Supplier. All invoices for the Goods must reference the Order number, amendment or release number, Buyer's part number, Supplier's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, bill of lading number, and other information required by Buyer. The price for the Goods as specified on the Order also includes all duties and taxes, except for any governmentally imposed value added tax (VAT), which must be shown separately on Supplier's invoice for each shipment. Buyer is not responsible for any business activity taxes, payroll taxes or taxes on Supplier's income or assets. Supplier will pay all premium freight costs over normal freight costs if Supplier needs to use an expedited shipping method to meet agreed delivery dates for any reason unless caused by Buyer. Supplier will pay any costs incurred by Buyer, including costs charged by Buyer's customer(s) to Buyer, as a result of Supplier's failure to comply with shipping or delivery requirements.

8.2

Prices for Goods are not subject to increase for any reason, including based upon changes in raw material or component pricing, labor, overhead, currency fluctuation or otherwise, unless specifically and expressly agreed to in writing by an authorized representative of Buyer.

8.3

Unless otherwise agreed, payment for Goods delivered properly and in a timely manner will be made according to the payment terms of the Order.

8.4

If the parties have agreed that Supplier's accounts will not be settled via self-billing invoices, a commercial invoice shall be submitted by Supplier. The original invoice shall be sent to Buyer's payment address (as specified on the Order). Payment remittances shall either be made by bank transfer or by cheque, as specified by Buyer.

8.5

If the parties have agreed that Supplier's accounts will be settled via self-billing invoices Supplier shall comply with Buyer's EDI instructions.

8.6

Supplier may not assign its payment rights hereunder without the prior written consent of Buyer. Buyer shall be entitled to offset claims it may have against Supplier and Supplier's affiliates and subsidiaries against any amounts otherwise owed by Buyer to Supplier and any of Supplier's affiliates and subsidiaries.

8.7

Payment by Buyer for any Goods does not indicate nor constitute acceptance of such Goods.

§ 9: Customs and Origin

9.1

Credits or other economic benefits resulting from the Order, including trade credits, export credits or the refund of duties, taxes, or fees, belong to Buyer. Supplier will provide all information and certificates necessary to permit Buyer or Buyer's customers to receive these benefits or credits. Supplier agrees to fulfill any customs, origin marking or labeling requirements, export or import controls, and local content origin requirements.

9.2

Export licenses or authorizations necessary for the export of Goods are Supplier's responsibility unless otherwise expressly stated on the Order, in which case Supplier will provide the information necessary to enable Buyer to obtain the licenses or authorizations. Supplier will promptly notify Buyer in writing of any material or components used by Supplier in filling the Order that Supplier purchases in a country other than the country in which the Goods are delivered. Supplier will furnish any documentation and information necessary to establish the country of origin or to comply with the applicable country's rules of origin requirements. Supplier will promptly advise Buyer of any material or components imported into the country of origin and any duty included in the Goods' purchase price. If Goods are manufactured in a country other than the country in which Goods are delivered, Supplier will mark Goods "Made in [country of origin]." Supplier will provide to Buyer and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of Goods into the country in which Goods are delivered. Supplier warrants that any information that is supplied to Buyer about the import or export of Goods is true and that all sales covered by the Order will be made at not less than fair value under the anti-dumping laws of the countries to which the Goods are exported.

9.3

Supplier shall properly pack, mark and ship the Goods to Buyer in accordance with the Order and Buyer's requirements. For any Goods that may contain potentially hazardous or restricted materials, if requested by Buyer, Supplier shall promptly furnish to Buyer a detailed list of and quantities of all potentially hazardous materials in the Goods. Before shipping such Goods, Supplier shall furnish to Buyer sufficient warning and notice (including appropriate labels on the Goods, containers and packaging) of any hazardous material that is any part of the Goods, and special handling instructions necessary to advise all carriers, Buyer and their respective employees as to how to exercise necessary care and caution to best prevent any bodily injury or property damage in the handling, processing, use or disposal of such Goods. Supplier shall comply with all applicable laws and regulations pertaining to product and warning labels, including but not limited to requirements to notify Buyer of the "Classification of Dangerous Goods" as required by the European Agreement concerning the "International Carriage of Dangerous Goods".

9.4

Unless otherwise agreed, customs clearance shall be the responsibility of Buyer. If Supplier assumes responsibility for customs clearance without Buyer's prior written approval, Supplier shall bear the costs of such clearance.

§ 10: Quality; Warranty

10.1

The Goods and Supplier's processes shall meet all quality requirements of Buyer and Buyer's customers and governmental "end of Life" reporting, including but limited to "End of Life Vehicle Directive (ELVD)" (European Union directive 2000/53/EC [1]), and other requirements. Supplier shall comply with Buyer's Supplier Quality Manual which is an integral part of this Agreement.

10.2

Supplier shall use its best endeavors to use subcontractors that fulfill Buyer's quality requirements as expressed in the Supplier Quality Manual. Supplier is, jointly and severally, fully responsible for all Supplier's sub-supplier providers of goods or services involved in the production, processing or servicing of Goods. Supplier shall maintain adequate development, validation, launch and ongoing supervision to assure all Goods provided to Buyer conform to all specifications, standards, drawings, samples and descriptions, including as to quality, performance, fit, form, function and appearance, under the Order.

10.3

Supplier expressly warrants that all Goods will conform to the applicable specifications, instructions, drawings, data and samples and/or descriptions furnished to or by Buyer, including Buyer's customers, and will be merchantable, of good material and workmanship and free from defects. In addition, Supplier acknowledges that Supplier knows of Buyer's intended use and expressly warrants that all goods covered by this order which have been selected, designed, manufactured or assembled by Supplier, based upon Buyer's stated use, will be fit and sufficient for the particular purpose intended by Buyer. These warranties shall be in addition to all other warranties, express, implied, or statutory. Payment for, inspection of, or receipt of goods or services shall not constitute a waiver of any breach of warranty. These warranties may be exercised by Buyer and/or according to Buyer's explicit notification; its successors, assignees or customers.

10.4

The rights and remedies reserved to Buyer in the Order will be cumulative with and in addition to all other or legal or equitable remedies. Supplier will reimburse Buyer for any incidental, direct, consequential and indirect damages caused by Supplier's breach of these Terms and/or by nonconforming Goods, including without limitation, damages, costs, expenses and losses incurred directly or indirectly by Buyer or its customer(s): (a) in inspecting, sorting, repairing or replacing the nonconforming Goods; (b) resulting from production interruptions; (c) conducting recall campaigns or other corrective service actions; or (d) resulting from personal injury (including death) or property damage caused by the nonconforming Goods. Consequential damages include reasonable professional fees incurred by Buyer. If requested by Buyer, Supplier will enter into a separate agreement for the administration or processing of warranty charge-backs for nonconforming Goods, and will participate in and comply with warranty reduction or related programs as directed by Buyer that relate to the Goods. In any action brought by Buyer to enforce Supplier's obligation to produce and deliver Goods under the Order, the parties agree that Buyer does not have an adequate remedy at law and Buyer is entitled to specific performance of Supplier's obligations under the Order.

10.5

All warranties will be effective for the longer of: (a) the period provided by applicable law, (b) 36 months from the delivery date; (c) any other warranty period set forth in a Warranty Agreement, Order or Frame Purchase Agreement between the parties; or (d) in the event that Buyer or its customer voluntarily or pursuant to a government mandate, offers to owners of vehicles on which the Goods or any parts or components incorporating the Goods are installed to provide remedial action to address a defect or condition that relates to motor vehicle safety or the failure to comply

with any applicable law or safety standard, whether in connection with a recall campaign or other remedial action, the warranty shall continue for such period as may be dictated by Buyer's customer or by the relevant governmental authority where the Goods are used.

§ 11: Remedies and Indemnification

11.1

Should any Goods provided by Supplier fail to meet any requirement of these Terms and/or conditions of the Order, Buyer shall notify Supplier and Supplier shall reimburse Buyer for any incidental, direct, consequential and indirect damages caused by the nonconforming Goods, including costs, expenses and losses incurred by Buyer relating thereto, including those occasioned by or arising out of any action to issue a service campaign or recall any vehicle, Goods, or any product into which Goods have been incorporated. If requested by Buyer, Supplier shall, at Supplier's sole expense, administer and process warranty charge-backs for nonconforming Goods in accordance with Buyer's directions.

11.2

To the fullest extent permitted by law, Supplier will indemnify, defend and hold Buyer and its affiliates and subsidiaries, as well as Buyer's direct and indirect customers, harmless against all costs, liabilities, damages, claims, losses and expenses (including but not limited to legal expenses and attorney fees) that are related in any way or arise from nonconforming Goods, or from any negligent or wrongful act or omission of Supplier or Supplier's agents, employees, subcontractors, or any breach or failure by Supplier to comply with the Order and any Terms.

11.3

In connection with the Goods or otherwise, if Supplier's employees, agents, sub-contractors or other representatives ("Supplier's Agents") are on or present at any premises of Buyer, Supplier shall be and is responsible for the acts and omissions of Supplier's Agents within or about Buyer's premises and agrees to indemnify, defend and hold Buyer harmless against all costs, liabilities, damages, losses and expenses (including but not limited to court costs and legal expenses) for damage to property or injury or death to persons arising out of Supplier's or its Agents' work on the Buyer's premises, except to the extent caused by Buyer's sole negligence.

11.4

Buyer's input into the design, drawing, material, process or specifications for any or all Goods, or any approval thereof, will not relieve Supplier of its obligations under this Section 11.

§ 12: Designation of Goods; Publications

12.1

Supplier shall mark the Goods as required by Buyer.

12.2

Neither of the parties shall use any of the other party's proprietary names, logos, trade names, trademarks or service marks without the prior written consent of the party, which owns or controls such proprietary names or trademarks.

12.3

Without Buyer's prior written consent, Supplier shall not publish in any manner through any marketing or other medium that Supplier has contracted with or has been supplying Goods to Buyer, unless such publication is required by mandatory law.

§ 13: Tooling and Other Buyer Property

13.1

All Tooling (including fixtures, gauges, jigs, patterns, castings, cavity dies and molds, with all related appurtenances, accessions, and accessories), packaging and all documents, standards or specifications, trade secrets, proprietary information and other materials and items furnished by Buyer, either directly or indirectly to Supplier to perform the Order or for which Buyer has agreed to reimburse Supplier (collectively, "Buyer's Property"), will become Buyer's property (including passage of title) as it is fabricated or acquired, regardless of payment. Supplier shall mark such Tooling as Buyer's property. In the event of cancellation or termination for any reason of an Order for the supply of Tooling where, at the date of cancellation or termination, title to the Tooling is vested in Buyer, Buyer retains title to such Tooling by paying to Supplier: (a) (in relation to finished Tooling) the outstanding portion of the agreed total costs; or (b) (in relation to unfinished Tooling) such proportion of the outstanding costs as is represented by the costs actually incurred by Supplier in the supply of the Tooling as at the date of cancellation or termination.

13.2

Supplier shall keep all Tooling owned by Buyer fully and adequately insured while it is in Supplier's possession, unless otherwise agreed in writing between Buyer and Supplier. Maintenance by Supplier of such insurance coverage shall be without prejudice to Supplier's liability under any Order.

13.3

Within a period of four (4) weeks after delivery of first Goods to Buyer, Supplier shall send Buyer a complete list of all Tooling items utilized by Supplier with respect to the Goods and a document identifying the exact location of the respective Tooling items. Supplier has to prove and substantiate that there is adequate insurance cover for the Tooling owned by Supplier.

13.4

Supplier shall treat all Tooling, regardless of ownership, with due care and diligence, constantly keeping it ready for operation and in compliance with the latest design status. Supplier shall be responsible in particular for the correct and accurate inspections, maintenance and repairs of the Tooling.

13.5

Unless otherwise agreed in writing, the cost for the continuing repair, maintenance and readiness of the Tooling in good working operating condition and free from defects of any kind shall be borne by Supplier in all respects.

13.6

Buyer's Property will be held by Supplier on a bailment basis as a bailee-at-will at Supplier risk. Supplier is responsible for inspecting, testing and approving all Buyer's Property prior to any use, and Supplier assumes all risk of injury to persons or property arising from Buyer's Property. Buyer's Property will not be used by Supplier for any purpose other than the performance of the Order and will not be moved from Supplier's premises without Buyer's approval. Buyer will have the right to enter Supplier's premises to inspect Buyer's Property and Supplier's records regarding Buyer's Property. Effective immediately upon written notice to Supplier, without further notice or legal action, Buyer has the right to enter the premises of Supplier and take possession of all of Buyer's Property. Supplier waives, to the extent permitted by law, any lien or other rights that Supplier might otherwise have on any of Buyer's Property, including but not limited to molder's and builder's liens.

13.7

Regardless of ownership, Supplier shall maintain Tooling used to manufacture Goods in good working condition for the continued supply of Goods for a period of fifteen (15) years after termination of Supplier's supply of the Goods for Buyer's series production. Supplier's obligation to retain such Tooling shall expire once the foresaid fifteen (15) years retention period has ended and Supplier has notified Buyer in writing. Supplier shall ensure that any and all sub-contractors are contractually bound to adhere to the requirements under this Section 13.

§ 14: Service and Replacement Parts

14.1

Whether or not an Order remains in effect, Supplier will at the request of Buyer provide Buyer or Buyer's nominee(s) with sufficient quantities of Goods for use as spare parts for a period of fifteen (15) years after termination of Supplier's supply of the Goods for Buyer's series production or for such other period of time as Buyer shall require in writing. The Supplier shall make its best endeavors to make its sub-contractors comply with this Section 14.1.

14.2

During the initial three (3) years of the fifteen (15) year period in Section 14.1, the price of the Goods used as spare parts shall be as agreed in the Order. The parties shall determine the price of the Goods used as spare parts for the remaining twelve (12) years by mutual negotiation.

§ 15: Intellectual Property Rights

15.1

Supplier shall specify any and all Intellectual Property Rights known or becoming known to him, which are used in the design or manufacture of, or which otherwise affect or relate to the Goods (IPR Information). The IPR Information shall be forwarded to Buyer at Supplier's earliest convenience and shall specifically include all patents, design rights and trademarks owned, controlled or licensed by Supplier (Supplier IPRs).

15.2

Supplier undertakes not to enforce any other Intellectual Property Rights than the Supplier IPRs contained in the IPR information against Buyer or any of Buyer's customers and Buyer undertakes to respect said rights on the condition that they are found legally valid by a court of competent jurisdiction. If by the time of commencement of work under any Order Supplier has not identified any Supplier IPRs relating to the Goods, Supplier automatically grants to Buyer an irrevocable, nonexclusive, worldwide, sub-licensable, fully paid up and royalty free license to any Supplier IPRs necessary for Buyer to make, have made, use and sell any goods provided by Supplier under an Order.

15.3

Supplier shall indemnify, defend and hold Buyer and Buyer's affiliates and subsidiaries harmless from and against all losses, liabilities, claims and causes of actions (including but not limited to court costs and legal expenses) that may be awarded or paid to any third party in respect of any claim or action that the Goods or their use by Buyer or Buyer's affiliates and subsidiaries infringe the Intellectual Property Rights of a third party. In the event that the Goods or their use is held to constitute an infringement or its further use is prohibited, the Supplier shall promptly, at its own expense and at its option, either: (a) procure for Buyer the right to continue the use of the Goods; (b) replace the Goods with non-infringing Goods of equivalent function and performance; or (c) modify the Goods so that it becomes non-infringing without detracting from function or performance. Notwithstanding the foregoing, Supplier is not liable if it has manufactured the Goods in accordance with Buyer's specifications and/or drawings and could not have known that following the specifications and/or drawings would result in infringement of a third party's Intellectual Property Right.

15.4

The parties will as soon as possible inform each other of all such third party infringements or suspected third party infringements of which they become aware. Buyer will give Supplier sole conduct of the defense of any such claims or actions.

§ 16: Using Supplier's Technical Information

16.1

Supplier will provide Buyer with Technical Information required by Buyer to install, assemble and otherwise use the Goods. Technical Information includes engineering, package and installation drawings, specifications, testing protocols and results, documents, data and other information relating to the Goods and Tooling. Technical Information must comply with the computer-aided-design and drafting standards of Buyer. Technical Information will be provided as specified in Sections 16.2 and 16.3 and categorized into either Level One Materials or Level Two Materials.

16.2

Supplier will provide Buyer and Buyer's affiliates and subsidiaries with Level One Materials to use without restriction. Level One Materials define in general terms the geometric and functional attributes of the Goods as they interface with the Buyer's products, demonstrate that they meet Buyer's specifications, and describe how they interact with other end user systems or environments. At a minimum, Level One Materials are those Buyer and/or Buyer's affiliates and subsidiaries require to support their engineering release systems, and package and installation drawings with functional requirements. Buyer may use or disclose Level One Materials without restriction, subject only to any patent or trademark rights of Supplier. Any Supplier legend, like "Confidential" or "Proprietary," will not affect Buyer's right to use Level One Materials.

16.3

Level Two Materials include more detailed design and manufacturing information such as Failure Mode and Effects Analyses (FMEA, including Design Failure Mode and Effects Analysis and Process Failure Mode and Effects Analysis), Design Verification Plans and Reports (DVP&R, including test specifications, test reports and test data), P-Diagrams and Control Plans. Supplier will provide Buyer and Buyer's affiliates with reasonable access, including delivery of reference copies, to Level Two Materials as well as the right to use Level Two Materials internally, including to integrate the Goods into the end-product. Any additional rights (such as licenses or ownership, or the right to disclose the materials to third parties to which disclosure is not permitted under Sections 16 or 17) to these or other materials (such as detailed drawings and math data, CAE Models, electrical schematics, or software algorithm and code) is not included unless the Order is issued for the development thereof. Buyer's obligations to treat Level Two Materials as confidential are described in Section 17.

16.4

Buyer may share Level One Materials with third parties without restriction. Buyer may not share Level Two Materials that are Supplier Confidential Information, or any other Supplier Confidential Information, except as provided in Section 17.

§ 17: Confidentiality

17.1

Confidential Information is information that meets the requirements specified below for Supplier Confidential Information or Buyer Confidential Information. Information that does not meet these requirements is not Confidential Information, regardless of any legend or marking to the contrary. A reference in this Section 17 to Confidential Information of the other Party is a reference to Supplier Confidential Information when the reference relates to an obligation of Buyer and to Buyer Confidential Information when the reference relates to an obligation of Supplier.

17.2

Supplier Confidential Information is any information disclosed under the Order that meets all of the following requirements: (a) the information is non-public information that is proprietary to the Supplier or any of its Related Companies; or any third party to which any of them has an obligation of confidentiality relating to the information; (b) the information is disclosed to the Buyer: in tangible form and identified as confidential in the tangible form; or orally, and is identified as confidential at the time of disclosure, and is described in a written statement (which must also identify

it as confidential) within a reasonable time after disclosure; and (c) the information is Level Two Materials, as described in Section 16.3.

17.3

Buyer Confidential Information is any information that meets the following requirements, regardless of whether it has been disclosed under the Order: (a) the information is non-public information that is proprietary to the Buyer or any of its affiliates or any third party to which any of them has an obligation of confidentiality relating to the information; or (b) the information is a volume projection, Buyer's or Buyer's affiliates and subsidiaries' future product plans or any details of those plans; or any other information identified by Buyer or any of Buyer's affiliates and subsidiaries (orally or in writing) as confidential.

17.4

Buyer and Supplier shall maintain in confidence all Confidential Information received by the other party and shall not disclose it to any third party. Each party shall use at least the same standard of care as it uses to protect its own Confidential Information and ensure that its employees, agents and consultants do not disclose or make any unauthorized use of the other party's Confidential Information. Each party shall promptly notify the other upon discovery of any unauthorized use or disclosure of the Confidential Information.

17.5

The obligations under Section 17.4 do not apply to any information that: (a) is or becomes publicly available through no breach of any agreement between Buyer and Supplier; (b) is approved for release by the disclosing party in a written notice; (c) is lawfully obtained from a third party without a duty of confidentiality; (d) was already known to the receiving party prior to its disclosure; or (e) is required to be disclosed by reason of law and the receiving party was ordered to disclose such information by a body of competent jurisdiction. The party requested to disclose such information shall promptly notify the other party of any such requirement in advance of the disclosure and cooperate with the other party in order to obtain a protective order or other remedy and shall disclose only the portion of the information that it is legally compelled to disclose.

17.6

Supplier shall include obligations equivalent to Sections 17.2 and 17.3 in all contracts with sub-contractors and will ensure that all sub-contractors are contractually obliged to comply with the same.

17.7

The terms of this Section 17 shall survive the expiration or termination of any Order.

§ 18: Insurance

18.1

Supplier shall obtain and maintain at its sole expense insurance coverage customary in the industry and as otherwise by law or reasonably requested by the Buyer with such insurance carriers and such amounts as are reasonably acceptable to the Buyer. This includes, without limitation, providing full fire and extended coverage insurance for the replacement value of all Supplier's property and any bailed property, both for their full replacement value. All such insurance coverage shall name Buyer as loss payee and additional insured. Supplier shall furnish to Buyer certificates of insurance setting forth the amount of coverage, policy number and dates of expiration for insurance maintained by the Supplier and such certificates must provide that Buyer shall receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverage.

§ 19: Compliance with Laws and Social Responsibility

19.1

Supplier shall comply with all applicable domestic and foreign laws and regulations relating to Supplier's performance of its obligations under each Order, and each Order shall be deemed to incorporate by reference all provisions required by applicable laws and regulations. All materials used in the manufacture of the Goods shall satisfy current applicable governmental, environmental and safety standards and regulations applicable in the country of manufacture, sale and use.

19.2

Supplier shall not utilize forced or involuntary labor, employ any child (i.e. person of age below 15 years), except as part of a government approved job training, apprenticeship or similar program, or engage in abusive employment. Supplier shall further ensure that all Goods supplied under any Order are manufactured in a safe and sound work environment.

Buyer disapproves of and Supplier shall not accept or be involved in any form of bribery or corrupt business practices in connection with the supply of Goods under any Order.

Supplier acknowledges the Directives of the UN Initiative Global Compact (Davos, 01/99) and the principles and rights set approved by the International Labour Organisation (IAO) in its "Declaration on fundamental principles and rights at work" (Geneva 06/98). For the avoidance of doubt; non-compliance with the requirements of this Section 19 will be regarded as breach of the terms of the Order. Buyer may at any time make unannounced inspections to Supplier's facilities to verify that the requirements of this Section 19 are complied with.

§ 20: Governing Law; Place of Venue and Jurisdiction

20.1

Unless otherwise agreed, if the location of Buyer from which the Order is issued is in Europe, then any dispute, controversy or claim arising out of or in connection with the Order, these Terms, or the execution, breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of one (1) arbitrator. The seat of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be English. These Terms and/or the Order shall be governed by the substantive law of Sweden. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

Unless otherwise agreed, if the location of Buyer from which the Order is issued is in North-, Central- or South America, then any controversy or claim arising out of or relating to the Order, these Terms, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association ("AAA") under its International Arbitration Rules, before a single arbitrator panel of one (1) arbitrator, selected by the AAA in accordance with those rules. The arbitration is to be conducted in English. The arbitrator is to apply the laws of the State of Michigan, without regard to any applicable conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

Each party shall submit to any court of competent jurisdiction for purposes of the enforcement of any award, order or judgment. Any award, order or judgment pursuant to the arbitration is final, non-appealable and may be entered and enforced in any court having jurisdiction thereof.

The award of the arbitrator shall be in writing and shall specify the factual and legal basis for the award. The arbitrator shall, in the award, determine and allocate the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail, to the extent and in the proportion deemed reasonable by the arbitrator.

The arbitration is to be conducted in Troy, Michigan.

Unless otherwise agreed, if the location of Buyer from which the Order is issued is in Asia, then any dispute, controversy or claim arising out of or relating to this contract, or the breach termination or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this clause.

The appointing authority shall be Hong Kong International Arbitration Centre. The place of arbitration shall be in Hong Kong at Hong Kong International Arbitration Centre (HKIAC). There shall be only one arbitrator.

Any such arbitration shall be administered by HKIAC in accordance with HKIAC Procedures for Arbitration in force at the date of this contract including such additions to the UNCITRAL Arbitration Rules as are therein contained. The language to be used in the arbitral proceedings shall be English.

These Terms and/or the Order shall be governed by the substantive law the People's Republic of China. The United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.

§ 21: General/Miscellaneous

21.1

No amendment, modification, termination or waiver of any provision of these Terms or of any Order, and no consent to any departure by either party therefrom, shall under any circumstances be effective unless the same shall be in writing and signed by both parties, which must include the signature of an authorized representative of Buyer, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on Supplier in any event, case or occurrence, shall of itself entitle Supplier to any other or further notice or demand in any similar or other circumstances.

21.2

If any provision hereof or any part provision is or is held by any competent court or authority to be invalid or unenforceable, such provision or part provision will be deemed severed and omitted, the remaining portions hereof continuing in full force and effect. If required, Buyer and Supplier shall replace such invalid or unenforceable provision with a valid and enforceable provision having similar economic consequences, provided that the content of the Terms is not materially altered.

21.3

No course of dealings between Supplier and Buyer or any delay or omission of Buyer to exercise any right or remedy granted under these Terms shall operate as a waiver of such rights, and every right and remedy of Buyer provided herein shall be cumulative, concurrent and in addition to any other further rights and remedies available at law or in equity.

21.4

Upon forty-eight (48) hours notice, Buyer shall be entitled to have access to Supplier's premises during normal business hours and without interfering with Supplier's business in order to inspect all documents, instruments, books and records relating to any Order or the Goods, which are subject of such Orders, or Supplier's manufacturing process. Except as otherwise expressly provided in these Terms, Supplier agrees to maintain all such records for at least ten (10) years after the last delivery of the Goods to Buyer, unless otherwise agreed or unless a longer period is otherwise required by law.

21.5

Supplier shall not assign the benefit or the burden of any Order, in whole or in part to any third party without the prior written consent of Buyer.

List of Definitions

Buyer

means the party which issues an Order or on whose behalf an Order is issued.

Day

means a consecutive calendar day

Delivery Schedule

means any instruction issued by Buyer to Supplier specifying the required delivery quantities, place, date and (if relevant) time of delivery of Goods.

EDI

means Electronic Data Interchange, i. e. the transmission of data via electronic communication links between the parties or other machine-readable data media.

Goods

means all production materials and automotive components specified in the Order and includes raw materials, assemblies, automotive accessories, components, molds, Tooling and, where relevant, services, related to those items described in the Order.

Incoterms

means those trade terms published by the International Chamber of Commerce and entitled "Incoterms 2000".

Intellectual Property Rights ("IPRs")

means patents, design rights, copyrights, trademarks and service marks (whether registered or not and applications for any of the foregoing), know-how, and rights of a like nature, throughout the world.

Supplier

is the party to whom the Order is addressed.

Tooling

means production equipment, including, but not limited to forging dies, measuring and testing equipment (e.g. gauges), matrices, models, samples, tools, devices, drawings and similar items required for the production and examination of Goods.