



Uniform Terms and Conditions for the
Aftermarket Business of Germany based
Companies of the MAHLE Group

1. Definitions, Scope of Application

a) The following General Terms and Conditions of Sales and Delivery of Germany based companies of the MAHLE Group (hereinafter, "MAHLE") shall apply to the replacement part business operated by MAHLE. These Terms and Conditions shall apply exclusively; MAHLE shall not recognize any conflicting or differing terms and conditions of the Customer unless MAHLE expressly approved the application thereof in writing. These Terms and Conditions shall also apply in the event MAHLE performs a delivery to the Customer without reservation while aware of conflicting or differing terms and conditions of the Customer.

b) Only those agreements or collateral agreements at variance with these Terms and Conditions which have been confirmed in writing by MAHLE shall apply.

2. Offer, Offer Documents Order Confirmation

a) MAHLE's offers shall be without obligation. In the event an order qualifies as an offer pursuant to § 145 of the German Civil Code, MAHLE may accept such order within 4 weeks.

b) MAHLE hereby reserves the title and copyright to drafts, drawings, calculations and any other documents. This shall also apply to those written documents designated as "confidential." The Customer shall require the expressed written approval of MAHLE prior to passing on such documents to third parties.

c) The specifications in drafts, drawings, calculations, catalogues and other documents shall be non-binding. MAHLE shall not assume any responsibility for proposals.

d) A contract for delivery shall first be effected by way of a written order confirmation of MAHLE, though upon delivery at the latest. Transmission of confirmation per remote data transfer shall satisfy the requirement for the written form. In the event MAHLE can verify that it sent a declaration per fax or remote data transfer through the presentation of a dispatch report, it shall be assumed that the Customer received the declaration.

3. Prices, Terms and Conditions of Payment

a) All prices shall be considered to be ex works/warehouse including packaging and excluding the legally-applicable value-added tax on the date invoices of invoicing. Prices shall be determined on the delivery date in accordance with the prices on MAHLE's price list.

b) Unless other payment periods are agreed upon, payments are to be rendered as follows:

Either within 30 days of the invoice date without deduction or within 14 days of the invoice date less a 2% discount. Payment shall be rendered by way of bank transfer or check. The receipt by MAHLE shall be decisive for the timeliness of the payment.

In the event the Customer is in default in payment, MAHLE shall be entitled to charge default interest at a rate of 8% above the base interest rate.

In the event the Customer is in default in payment, MAHLE shall be entitled to collect such delivered good until the complete payment or withdraw from the Contract without waiving its claims. MAHLE

shall in addition be entitled to retain all deliveries or performances.

The Customer may only set off claims with undisputed counterclaims recognized by MAHLE or counterclaims recognized by a non-appealable decision.

The Customer shall only be authorized to exercise a retention right provided its counterclaim is based on the same contractual relation.

In the event MAHLE becomes aware of circumstances which cast doubt on the creditworthiness of the Customer or circumstances arise after the conclusion of the Contract which jeopardize its payment claim due to the Customer's dwindling assets, or in the event the Customer is in default over the payment of the purchase price, MAHLE may demand advance payment or collateral within a reasonable period and refuse performance until its demands are met.

In the event the Customer refuses to render advance payment or provide collateral or the period expires without effect, MAHLE shall be entitled to withdraw from the Contract in whole or in part and demand damage compensation.

4. Retention of Title

a) MAHLE hereby reserves the title to the delivered goods until all payments from the business relation with the Customer have been received.

b) In the event the Customer acts in breach of contract in particular in the event of default in payment, MAHLE shall be entitled to demand the surrender of the delivered goods without setting a period. The prior withdrawal from the Contract shall not be required for the demand to surrender the delivered goods.

c) MAHLE's assertion of the retention of title or the pledging of delivered goods shall not constitute the withdrawal from the Contract.

d) The Customer shall be entitled to resell the delivered goods in the normal course of business; however, the Customer hereby assigns all claims arising for the Customer in the course of the resale in the amount of the purchase price agreed upon between MAHLE and the Customer (including value-added tax) to MAHLE in advance regardless of whether the delivered goods are sold processed or unprocessed. The Customer shall be authorized to collect such claims after they have been assigned. MAHLE's authorization to collect the claims itself shall not be prejudiced thereby; however MAHLE hereby agrees not to collect such claims as long as the Customer duly fulfills its payment obligations and is not in default in payment. If this is not the case, MAHLE may demand that the Customer disclose the assigned claims and its debtors, provide all information necessary for collection, surrender the related documents and inform the debtors (third parties) of the assignment.

e) The processing or reconstruction of the delivered goods by the Customer shall always be performed on behalf of MAHLE. In the event the delivered goods are processed with other components not belonging to MAHLE, MAHLE shall acquire the joint title to the new good in proportion of the value of the delivered goods to the other processed components at the time the components are processed.

f) In the event the delivered goods are mixed with other components not belonging to MAHLE which

cannot be separated, MAHLE shall acquire the joint title to the new good in proportion of the value of the delivered goods to the mixed components. The Customer shall keep in safe custody such joint title for MAHLE.

g) The Customer may neither pledge the delivered goods nor transfer the ownership of them by way of security. The Customer must inform MAHLE immediately in the event of a pledge, confiscation or any other disposal by third parties and provide it all information and documents necessary to safeguard its rights. Enforcement officers and/or third parties are to be informed of MAHLE's title to the goods.

h) MAHLE hereby agrees to release the security to which it is entitled upon the request of the Customer in the event the value of the security exceeds the amount of the claims to be secured by more than 20%. MAHLE shall be free to select the security to be released.

5. Deliveries, Delivery Period

a) MAHLE hereby reserves the option of delivery under all circumstances. Delivery dates shall not be binding for MAHLE, but shall be observed wherever possible. The observation shall require that all technical matters are clarified and payments and any other obligations of the Customer have been or will be fulfilled in due time.

b) Partial deliveries shall be permissible provided no disadvantages for use would arise thereby.

c) MAHLE hereby reserves the right to make deliveries with up to 10% more or less quantity.

d) In the event the Customer requests the delay of a delivery, the good shall be stored at MAHLE at the risk and expense of the Customer.

e) In the event of force majeure, strike, inability to perform not caused by negligence, or adverse weather conditions, the delivery period shall be extended by the duration of the hindrance.

f) In the event the Customer delays acceptance of deliveries or breaches any other cooperation duty, MAHLE shall be entitled to give preference to other orders of third parties and adequately extend the delivery period. Without prejudice to further claims, MAHLE shall be entitled to demand the compensation of any damage it incurs, including any additional expenses.

6. Default in Delivery

a) In the event the default in delivery is based on an intentional or gross negligent breach of contract for which it is responsible, MAHLE shall be liable in accordance with the provisions of law. In the event the default in delivery is not based on an intentional breach of contract for which MAHLE is responsible, the liability to provide damage compensation shall be limited to typical and foreseeable damage.

b) MAHLE shall furthermore be liable in accordance with the provisions of law in the event the default in delivery for which it is responsible is based on the culpable breach of an essential contractual duty; in such event, damage compensation shall be limited to typical and foreseeable damage.

c) The financial situation, type, scope and duration of the business relation and if applicable the value of

the delivered parts are to be adequately taken into consideration in good faith in favor of MAHLE with regard of the amount of the damage compensation.

7. Shipment, Transfer of Risk

a) Unless stipulated otherwise in the order confirmation, delivery shall be agreed upon as "ex works/warehouse." Shipment shall take place at the risk and expense of the Customer. This shall also apply to return shipments.

b) No transport or other non-returnable packaging shall be taken back. The Customer shall be obligated to ensure the disposal of packaging at its own expense.

8. Material Defects

a) The Customer must inform MAHLE immediately in writing of any defects of the delivery as soon as such are determined in accordance with the circumstances of the normal course of business.

b) The Customer may request subsequent performance as a priority in the event of the delivery of defective components. MAHLE shall be entitled to choose whether improvements are to be made or new components are to be delivered.

c) In the event of an improvement, MAHLE shall be obligated to bear all expenses necessary to remedy the defect, in particular freight, transport, working and material costs. This shall only apply provided the costs are not increased due to the fact the delivered good was taken to a location other than the place of performance.

d) The Customer is to provide MAHLE the defective components immediately upon request.

e) The Customer may withdraw from the Contractor reduce the purchase price in the event the subsequent performance fails or is disproportionate.

f) No claims of the Customer due to material defects shall arise in the event a defect can be attributed to the breach of operating, maintenance and installation instructions, unsuitable or improper processing or use, excessive strain (e.g., through modifications for increased performance), faulty or careless treatment and natural wear and tear or to the interference of the delivered good by the Customer or a third party.

g) The Customer's claims due to material defects shall lapse in accordance with the provisions of law upon the expiration of 24 months after the transfer of risk.

9. Liability

a) MAHLE shall only be liable in accordance with the provisions of law in the event the Customer asserts damage compensation claims based on fraudulence, intentional action or gross negligence. The liability for damage compensation shall be limited to foreseeable and typical damage unless MAHLE is accused of the intentional breach of contract.

b) MAHLE shall furthermore be liable in accordance with the provisions of law in the event it culpably breaches an essential contractual duty; in such event, damage compensation shall be limited to foreseeable and typical damage.

c) Any liability for damage compensation in addition to that prescribed above shall be excluded hereby

without consideration of the legal nature thereof.

d) Damage compensation claims due to the culpable loss of life, bodily injury and illness, from the assumption of a guaranty or due to mandatory provisions of the Product Liability Act shall not be prejudiced by the above-mentioned provisions.

e) In the event MAHLE's liability for damage compensation is excluded or limited, this shall also apply with regard to the personal liability for damage compensation of its employees, representatives and vicarious agents.

10. Place of Performance, Place of Jurisdiction, Applicable Law

a) Unless expressly agreed upon otherwise, the registered seat of MAHLE shall be the place of performance.

b) In the event the Customer is a merchant, the place of jurisdiction shall be the court competent for MAHLE's registered seat. MAHLE shall however be entitled to take action against the Customer at its general place of jurisdiction. This shall also apply in the event the Customer does not have a general place of jurisdiction in Germany, relocates its residence or ordinary place of residence abroad after the conclusion of the Contract or its residence or ordinary place of residence is not known on the date of the action.

c) Exclusively German law shall apply. The application of the UN Sales Convention of 11 April 1980 Regarding Contracts for the International Sale of Goods (CISG, "Vienna Sales Law") shall be excluded hereby.

Stuttgart, June 2005