

General Terms and Conditions for Sale of FLABEG Automotive Mirrors (Shanghai) Co., Ltd. (Version: December 2010)

I. General, Scope and Definitions

Definitions:

1. "**Affiliate**" means with respect to any Person ("**First-Named Person**"), any other person which, directly or indirectly, Controls, is Controlled by, or is under common Control with such First-Named Person.
2. "**Applicable Law**" is defined in Clause XI1.
3. "**Control**" or its cognate terms means, in relation to any Person, acquiring (or an agreement to acquire or options over):
 - (a) direct or indirect control over the affairs of that Person; or
 - (b) more than 50 per cent (50%) of the total voting rights conferred by all the issued shares or equity interests in the capital of that Person; or
 - (c) the right to determine the composition of the majority of the members of the main board of directors or any management committee or similar body of that Person; or
 - (d) the right to otherwise direct the management of that Person.
4. "**customer**" means the party which purchases our goods via an Order.
5. "**General Terms and Conditions**" means these General Terms and Conditions for Sale.
6. "**contract**" means an agreement concluded between us and the customer by our acceptance of an Order via our Order Acknowledgement.
7. "**goods**" means the goods specified pursuant to an Order.
8. "**Insolvency Event**" means where the customer makes a general assignment for the benefit of creditors, is declared bankrupt or insolvent, files a voluntary petition in bankruptcy or for a reorganization or to effect a plan or other arrangement with its creditors, files an answer to a creditor's petition or other petition against it for an adjudication in bankruptcy or for a reorganization admitting the material allegations thereof, or applies for or suffers the appointment of a liquidator, administrator, receiver, trustee or custodian or a liquidation committee for any substantial portion of its assets or business.
9. "**Order**" means an order issued by a customer to us in writing.
10. "**Order Acknowledgement**" is defined in Clause II1.
11. "**Offer**" is defined in Clause II.1.
12. "**our works**" means our factory, warehouse, plant or other facility.
13. "**Person**" includes an individual, corporation, enterprise, partnership, concern, association, trust or other entity or organization (whether or not having separate legal personality).
14. "**PRC**" or "**China**" means the People's Republic of China.
15. "**services**" means the services we supply pursuant to an Order.
16. "**We**" or its cognate terms, means FLABEG Automotive Mirrors (Shanghai) Co., Ltd.

Our deliveries of goods and provision of services to the customer shall be exclusively governed by the following General Terms and Conditions unless otherwise agreed in writing. For the avoidance of doubt, all Orders are accepted subject to, and incorporate, these

General Terms and Conditions. All contracts incorporate these General Terms and Conditions. These General Terms and Conditions shall also apply to all future business transactions relating to our deliveries of goods and services to the customer, unless otherwise agreed. They shall also apply to any future contracts between us and the customer unless otherwise agreed. The customer's general terms and conditions shall not apply, irrespective of whether or not such general terms and conditions have been expressly rejected by us. For the avoidance of doubt, these General Terms and Conditions apply to the exclusion of any other general terms and conditions.

II. Offers and Conclusion of a Contract, Scope of Performance and LIMITED WARRANTIES

1. Our offers ("**Offers**") to the customer are non-binding unless otherwise stated in writing. The customer's order ("**Order**"), which shall be signed by its legal representative or authorised representative, shall be binding. An Order shall be accepted by us within four weeks by us sending an order acknowledgment or by the unconditional provision of the goods or services ordered ("**Order Acknowledgement**"). If our Offer is expressly designated in writing as binding, we shall be bound by such offer for a period of two weeks from the date of the Offer.
2. We retain all intellectual property rights in cost estimates, drawings, plans and other documents; these may be made accessible to third parties only with our prior written consent and shall be returned to us upon request at no charge.
3. Unless otherwise agreed in writing, the documents related to our Offers, in particular illustrations, drawings, indications of weights and dimensions, performance and consumption data as well as technical data and descriptions contained in the relevant product information or advertising material are non-binding, shall not form part of any contract between us and the customer, and are mere invitations to provide an Order.
4. We warrant only that, at the time of delivery, the goods delivered meet our then current specifications for those specific goods. WE MAKE NO OTHER WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS. IN PARTICULAR, WE MAKE NO WARRANTY IN RESPECT TO THE MERCHANTABILITY OF THE GOODS OR THEIR SUITABILITY OF FITNESS FOR ANY PARTICULAR PURPOSE OR USE. THESE ARE THE SOLE AND EXCLUSIVE WARRANTIES GIVEN BY US IN CONNECTION WITH THESE GENERAL TERMS AND CONDITIONS, EXPRESS OR IMPLIED, UNLESS OTHERWISE PROVIDED BY APPLICABLE LAW.
5. If the goods are used outside of China, the customer shall be responsible for compliance with statutory and other regulations applicable at the point of use.

III. Prices, Terms of Payment, Late Payment

1. The prices agreed at the time the respective contract is concluded, in particular the prices set out in the Order or the Order Acknowledgement, shall apply. In the event of any inconsistency between the price set out in the Order and the Order Acknowledgement, the price in the latter shall apply. If

no price has been explicitly determined or if the customer purchases goods at list prices, the prices applicable on the day of delivery according to our price list shall apply. Unless expressly agreed otherwise in writing, all prices shall be Ex Works (Incoterms 2000) from our works or from another address indicated by us, exclusive of packaging and other ancillary costs. All prices shall be exclusive of taxes, impositions and other charges, levies, penalties, and other charges imposed by any governmental authority, international shipping charges, forwarding agent's and broker's fees, consular fees, document fees and import duties. If we are responsible for or are obligated to pay any of the foregoing fees, the customer is responsible for reimbursing us for such fees.

2. We reserve the right to reasonably adjust our prices if, after conclusion of the contract, cost changes occur, in particular due to wage agreements, price increases by sub-suppliers or exchange rate fluctuations, which we are not responsible for.
3. Our invoices shall be paid, unless another payment date is specified in the invoice, within ten days after the date of invoice without any deduction. If a payment is made after the payment date, interest will be charged at a rate of one and a half percent (1.5%) per month compounded monthly (19.6% per annum), or the maximum rate allowed by Applicable Law, whichever is less, on the outstanding amount of any unpaid invoice beginning on the day after the payment due date and such payment of interest is without prejudice to our other rights and remedies under Applicable Law. In addition, if customer delays payment by one month, we shall have the right to retain any upcoming delivery(ies) and stop production for any existing Orders.
4. We shall be entitled to apply any payments received firstly to earlier receivables, then to costs and interest of the principal receivable and finally to the principal receivable.

IV. Deterioration of the Customer's Financial Situation and Default

1. If, after conclusion of a contract, we determine, in our sole discretion, that the customer's creditworthiness has diminished, its business has seriously deteriorated, there are any other circumstance which will or may cause the customer to lose its ability to perform its contractual obligations we may, at our choice, and upon giving notice to the customer, (i) suspend the deliveries of goods and services, (ii) require prepayment of the purchase price, and/or (iii) require the provision of appropriate security, that is, collateral in the form of cash, letter(s) of credit, guarantee, or other security acceptable to us in our sole discretion.
2. Upon occurrence of any of the following events: (i) failure by the customer to provide appropriate security (as described in Clause IV.1(iii)) when due; (ii) we do not receive a payment due from the customer under a contract within two (2) weeks, and such failure remains uncured for a period of ten (10) days; (iii) the occurrence of an Insolvency Event; (iv) the failure of the customer to provide prepayment as set out in Clause IV.1(ii) within two (2) weeks, then we, in our sole discretion and upon giving notice to the customer, may do any one or more of the following:
 - (a) suspend deliveries and services under the contract, or any other agreement between the customer and us;
 - (b) terminate the relevant contract, and any other agreement between the customer and us whereby any and all obligations of the customer, including, without limitation, payments due, will, at our option, become immediately due and payable; and/or
 - (c) set-off against any amount that we owe to the customer under the relevant contract.

V. Delivery Periods, Delay in Delivery, Partial Deliveries

1. Delivery or service periods stated by us are non-binding and are estimates only unless a delivery period has expressly been agreed as binding in each case. Expressly agreed delivery periods will begin upon the dispatch of our Order Acceptance. The delivery period shall be deemed complied with if the goods have left our works or readiness for shipping has been notified by us to the customer by the time the delivery period expires.
2. Our adherence to delivery and service obligations is subject to the timely and correct performance of the customer's obligations. If advance payment is agreed or if the customer has to provide us with documents, permits or releases, the delivery period shall not be deemed to commence until after all of these requirements are fulfilled.
3. In case of estimated or non-binding delivery periods, we shall not be deemed to be in delay in delivery before the expiry of a reasonable time period for delivery set by the customer which shall not be earlier than four weeks after the estimated or non-binding delivery date.
4. In case of force majeure and other unforeseeable or unusual events that we are not responsible for, such as business disruptions by fire, flood and similar events, breakdown of manufacturing facilities and machinery, delays in delivery or suspension of deliveries by our suppliers as well as disruptions of operations caused by shortage of raw materials, power or labour, strike, lockout, difficulties to obtain transport, disruptions of traffic, governmental interventions - to the extent these events prevent us from performing on time our delivery and service obligations - we are entitled to defer the delivery or performance for the duration of the impediment plus a reasonable start up period. If the delivery or service is thereby delayed by more than one month, either the customer or we shall be entitled to terminate the contract with respect to the Order affected by the impairment of delivery or service whereby any damage claims shall be excluded.
5. Our liability for each case of delay in delivery is limited in accordance with the provisions in Clause IX.1 to 7.
6. If reasonably acceptable for the customer, we may effect partial deliveries and performances within the agreed delivery and performance periods.

VI. Transfer of Risk, Transport and Packaging

1. Deliveries shall be made, unless expressly agreed otherwise between us and the customer, Ex Works (Incoterms 2000) from our works or from another address indicated by us.
2. Risk shall pass to the customer upon delivery to the customer, the carrier or any other forwarding agent commissioned by the customer at the agreed delivery location, whichever is the earliest. This shall also apply in case of partial deliveries or if we, by way of exception and agreed in writing, have assumed additional obligations such as freight charges, delivery or installation, unless delivery is effected by our own vehicles or means of transportation (in which case risk passes at the agreed delivery location). Risk shall also pass to the customer if it is in default of acceptance at the agreed delivery location. The customer's collection of the goods at the agreed delivery location constitutes its material contractual obligation. At the customer's request and costs we will insure the goods against theft, breakage, damage in transit, damage by fire or water, and other insurable risks.
3. If it is agreed with the customer that the goods are to be shipped by us, the method of shipping and the shipping route will be determined at our discretion by us, unless otherwise

agreed in writing with the customer. Also, in this case, the provisions in Clause VI.2 shall apply.

4. We do not take back disposable packaging.

VII. Reservation of Title

1. We reserve title in goods delivered to the customer until full payment of the purchase price.
2. In case of breach of contract by the customer, including the customer's default in payment, we may - without prejudice to our other rights and remedies under Applicable Laws. - terminate the contract and recover the goods in which title is reserved (the "**Reserved Products**"). In case of the customer's default of payment, the prior setting of a time period is not required. For the purpose of recovering the Reserved Products we may enter the customer's business premises during normal business hours with the customer's consent (which shall not be unreasonably refused).

After recovery of the Reserved Products, we may upon prior notice realise the same in a reasonable manner; the realisation proceeds shall be applied to the liabilities of the customer less reasonable realisation costs.

3. The customer shall treat the Reserved Products with care, in particular it shall insure the same at its costs against damage by fire, water and theft sufficiently at replacement value. The customer herewith assigns its claims with respect to the Reserved Products under the insurance contracts to us; we hereby accept the assignment.

The customer shall carry out in due time and at its costs any necessary maintenance and inspections.

4. For the duration of the reservation of title the customer shall not pledge the Reserved Products or use the same as security. However, the customer may, subject to the following conditions, resell the Reserved Products in the course of its ordinary business activities, but in such case it will have already assigned to us all claims, including ancillary rights and with priority over the remainder of the customer's claims, equal to the final invoice amount (including value added tax) accruing to it against its customers or third parties from the resale, regardless of whether the Reserved Products have been resold with or without further processing. The customer shall not sell the Reserved Products to their customers that have excluded or limited the assignment to us of payment claims against those customers. If the Reserved Products have been further processed together with other items not belonging to the customer, the assignment of the payment claims shall be effected only to the extent of the proportion of the co-title shares in the goods reprocessed pursuant to Clause VII.6. After assignment of the claims, the customer shall retain the right to collect the payment claims on our behalf. Our right to collect the claims by ourselves shall not be affected thereby. However, we shall not collect the payment claims as long as the customer fulfils its payment obligations from the proceeds taken from such payment claims, is not in default of payments under any contract, is not subject to an Insolvency Event and has paid payments to us under all contracts as they fall due. If any of the afore-mentioned circumstances no longer apply, we may request the customer to disclose to us the assigned payment claims and their respective debtor customers, to furnish to us all data necessary for collection, to hand over to us all documents pertaining thereto and to inform their debtor customers of the assignment. If such a case occurs, the customer's right to collect the claims on our behalf is extinguished.
5. The customer shall notify us in writing without undue delay of all seizures, attachments and other interference by third parties with respect to the Reserved Products. Moreover, the customer shall notify such third parties of the reservation of

title, and the customer shall be liable for the loss thus incurred to us.

6. Any processing or reworking by the customer of the Reserved Products shall always be performed for us. If the Reserved Products are processed or reworked with other items not belonging to us, we shall acquire co-title in the new thing in the proportion of the value of the Reserved Products, including value added tax) to the other items that are processed or reworked at the time of such processing or reworking. In all other respects, the same provisions shall apply for the new thing thus created as for the Reserved Products. If the Reserved Products are inseparably commingled or combined (that is, where such Reserved Products are separable) with other items not belonging to us, we shall acquire joint title in the new thing in the proportion of the value of the Reserved Products (including value added tax) to the other commingled or combined items at the time of commingling or combining. If the commingling or combining takes place in such a way that the thing of the customer is considered to be the principal component of that new thing, the customer shall transfer co-title to us on a pro rata basis. The customer shall keep the sole title or co-title thus created in custody for us. As security for our claims against the customer, the latter shall also assign to us the claims accruing against third parties by such combining of the Reserved Products.

VIII. Customer's Claims in the Event of Defects

1. The customer shall notify us without undue delay, but at the latest within one week of delivery of the goods, in writing of obvious defects (e.g. defects of quality, delivery of wrong goods, or deviations in quantity); hidden defects shall be notified to us in writing without undue delay, but at the latest within one week of being discovered. The customer's failure to give a notice of defect in time or properly shall constitute an unqualified acceptance of the goods and a waiver by the customer of all claims with respect thereto.
2. The acceptance of goods may not be refused for defects that are not of a material nature.
3. Without our prior written consent, we will not bear the costs caused by the customer for examination of possible defects. For an effective handling of claims for defects, we will sort out defective goods from an affected delivery, unless we instruct the customer otherwise. The customer will not dispose of defective goods without our prior written consent. Upon our request, the customer shall send defective goods to us for inspection and verification that a defect exists, along with acceptable evidence of purchase, including identifying code marks on the outside of the package or on the core labels, transportation charges prepaid.
4. The customer shall not be entitled to claims for defects for used goods or goods that have been agreed to be of a lower quality category. The same shall apply in case of deviations, in particular deviations of dimensions, thicknesses, weight, performance data or colour nuances, which are within the tolerances customary in the industry, as well as in case of immaterial reduction of the value or usability of the goods.
5. In case of defects, our liability is limited, at our election, to, (i) repair the goods, or (ii) replace the goods ("**subsequent performance**"); providing, however, that the customer has properly notified us in writing in accordance with Clause VIII.1 so that we can inspect the goods in accordance with Clause VIII.3. For repaired goods the remainder of the original warranty period (if any) shall run from the return of the repaired good; the same shall apply for replaced goods.
6. If subsequent performance fails, the customer may terminate the affected contract. Repair or replacement, as the case may be, is considered as having failed after the third attempt,

unless the nature of the goods or other circumstances suggest otherwise.

7. Claims of the customer for expenditure required for the purpose of subsequent performance, notably the costs of transport, journeys, labour and material, are excluded to the extent that the expenditure is increased as a result of the goods being brought to a place other than the agreed place of delivery; we may charge such increased costs to the customer. Also excluded are costs for dismounting and installing defective goods; such costs may be claimed by the customer as claims for damages subject to the provisions of Clause VIII.1, Clause IX. and Clause X.
8. If the customer wrongly asserts claims for defects (e.g. the goods were not defective), we may charge to the customer reasonable costs incurred by us in relation to that wrong assertion; the same shall apply if we wrongly grant claims for defects without being obliged to. In case of defects that are not of a material nature, such claims for defects are also considered to be wrongly asserted; in case a claim is disproportionately asserted (e.g. all goods are rejected even though only a part is defective), charging of costs will be made on a pro-rata basis.
9. Our liability for any damage the customer may have suffered due to defects of goods delivered by us is determined by the provisions in Clause VIII.1, Clause IX. and Clause X.

IX. Limitation of Liability

1. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL WE BE LIABLE TO THE CUSTOMER FOR ANY LOST OR PROSPECTIVE PROFITS, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST EARNINGS, LOST PROFITS OR BUSINESS INTERRUPTION, WHETHER OR NOT BASED UPON OUR NEGLIGENCE, BREACH OF WARRANTY, STRICT LIABILITY, IN TORT OR ANY OTHER CAUSE OF ACTION.
2. We shall only be liable for damages if such damages are caused by:
 - a) our deliberate breach of a material contractual obligation or
 - b) our gross negligence.
3. In the cases of Clause IX.2 our liability shall be limited to an amount of Euro 1.5 million per damaging event. We will conclude and maintain insurance coverage with a corresponding contract amount (at least Euro 1.5 million per damaging event).
4. The limitations of liability set out in Clause IX.1 to 3 above shall not apply in case of statutory liability under Applicable Law for personal injury caused to the customer and property loss caused to the customer by our intentional misconduct or gross negligence.
5. Any further liability for damages than that set out in Clause IX.1 to 4 shall be excluded to the fullest extent permitted by Applicable Law, irrespective of the legal nature of the claim asserted.
6. The limitations of liability for damages set out in this Clause IX. shall also apply to the personal liability for damages of our employees, contractors and agents.

X. Statute of Limitation Periods

1. The statute of limitation period for claims by the customer shall be as prescribed in Applicable Law from time to time,

which, at the date of these General Terms and Conditions, include the following:

- (a) If the customer discovers defects during the inspection and notifies FLABEG within the time and manner prescribed in Clause VIII.1, and FLABEG does not repair nor replace pursuant to VIII.5, the statute of limitation period for the customer to bring an action against us shall be two (2) years. In any event, such claims will be time-barred after 20 years from the date the customer's rights were infringed.
- (b) If, regardless of whether the customer has accepted the goods, there is a defect in our goods,
 - (i) and the defect in our goods is an unreasonable danger existing in the goods that threatens the safety of a person or property; or
 - (ii) the goods are subject to the PRC state or industry quality standards governing health, personal safety, or safety of property, and fail to meet these standards,

then, the statute of limitation period for claims in relation to such defective goods is two years from the date the customer knew or should have known that its rights were infringed. In addition, the claims become time-barred after 10 years from the day the defective goods were delivered to the customer, unless there is a separate warranty period attached to those goods and that period has not expired.

- (c) For other breach of contract or torts claims not related to personal injury or property damage, the statute of limitation period is two (2) years. In any event, such claims will be time-barred after 20 years from the date the customer's rights were infringed.

XI. Place of Jurisdiction, Governing Law

1. These General Terms and Conditions shall be governed by the laws of the PRC (the "**Applicable Law**").
2. Notwithstanding the agreement of the customer and us (the "parties") to submit disputes to arbitration, the parties acknowledge that in respect of any breach of the provisions hereof relating to confidentiality and/or intellectual property rights, a party whose rights have been infringed shall be entitled to apply to the courts in any relevant jurisdiction for an injunction or other similar forms of relief and remedies to the extent permitted by applicable laws in the jurisdiction in question.
3. Any dispute arising in connection with this General Terms and Conditions shall be settled first through friendly consultations between the parties. If within thirty (30) days following the date on which such notice to request consultation is given, the dispute cannot be settled through consultations, either party may submit the dispute to arbitration in accordance with this Article. The parties agree that arbitration shall be conducted in Shanghai before the China International Economic and Trade Arbitration Commission ("**CIETAC**"), Shanghai Commission in accordance with CIETAC Arbitration Rules then in force ("**Arbitration Rules**"), and as amended by this Article.
4. The arbitration tribunal shall be made up of one arbitrator to be selected by the Chairman of CIETAC. The sole arbitrator shall not be a PRC or German national, and shall be proficient in the English language and experienced in cross border disputes.
5. The arbitration proceedings shall be conducted in the English language.
6. The arbitration award shall be final and binding on the parties, and the parties agree to be bound thereby and to act accordingly. Judgment upon any arbitral award may be entered in any court having jurisdiction over the party or parties against which the award has been rendered, or

application may be made to any such court for judicial acceptance of the award and an order of enforcement, as the case may be. Each party expressly waives all rights to object thereto, including any defence of sovereign immunity and any other defence based on the fact or allegation that it is an agency or instrumentality of a sovereign state.

7. All costs of arbitration (including but not limited to arbitration fees, costs of arbitrators and legal fees and disbursements) shall be borne by the losing party, unless otherwise determined by the arbitration tribunal.
8. When any dispute occurs and is the subject of friendly consultations or arbitration, the parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under these General Terms and Conditions, except in respect of those matters under dispute.
9. The application of the provisions on Contracts for the International Sales of Goods (CISG - Vienna UN Convention) shall be expressly excluded.

XII. Safety Information

In case we visit the customer's factory premises or other premises, the customer shall inform us about the general safety regulations and provide protective clothing and other accessories and aids.

XIII. Final Provisions

1. Set-off by the customer is excluded. The customer shall not have the right to refuse performance of its obligations to us due to our failure to perform or our underperformance of any obligations, provided that performance of our obligations are not a precondition to the customer's performance of its obligations.
2. Without our prior written consent, the customer shall not, in part or in whole, assign its rights and obligations. We may assign our rights and obligations to our Affiliates and the customer hereby agrees to such assignment.
3. Changes or amendments to or cancellation of these General Terms and Conditions require written form in order to be effective. This also applies to the cancellation of this written form requirement.
4. If any of the provisions of these General Terms and Conditions is held to be invalid or unenforceable by Applicable Law, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in these General Terms and Conditions but without invalidating the remaining provisions. The customer and we shall negotiate in good faith to replace the invalid or unenforceable provisions by a valid or enforceable provisions the effect of which is near as possible to the intended effect of that invalid or unenforceable provision.
5. We keep customer data in connection with our mutual business relation in compliance with the Applicable Law. The customer warrants and represents that none of the information that it or its Affiliates have provided to us, our Affiliates, or their employees, directors, officers, agents, representatives, advisors or contracting parties (collectively, "**Indemnified Parties**") is deemed a state secret in the PRC. The customer shall undertake not to provide, and cause its Affiliates not to provide, any information that is deemed (at the time of providing such information) a state secret to any of the Indemnified Parties, unless the proper approval from the relevant PRC authorities is obtained to provide such state secrets. In the event that the customer or its Affiliate provides state secrets to any of the Indemnified Parties without the approval from the relevant PRC authorities, the customer

shall immediately notify us and the relevant PRC authorities of such default, indemnify all Indemnified Parties of any harm or losses suffered as a result of such default, and shall take all corrective actions required by us and the relevant PRC authorities.

6. These General Terms and Conditions are written in Chinese and English languages. In the event of any discrepancy between the Chinese and the English version, the English version prevails.