General Conditions of Sale and Delivery
of the LuK GmbH & Co. KG

All of our deliveries and services to businesses, companies, legal entities subject to public law or special assets governed by public law shall be governed exclusively by the following terms and conditions:

I. OFFER AND ACCEPTANCE / WRITTEN FORM

1. Any delivery contract as well as any amendments, ancillary agreements and other agreements shall become binding only upon confirmation by us.

2. The delivery contract as well as any amendments, ancillary agreements, declarations regarding its termination or other declarations and notifications shall require text form (§ 126b German Civil Code - *BGB*) to the extent that these General Conditions do not specify otherwise.

3. With the receipt of our confirmation and/ or acceptance of the ordered goods or services the purchaser accepts our General Conditions of Sale and Delivery. We shall not be bound by any general terms and conditions of the purchaser that differ from these General Conditions of Sale and Delivery. We hereby expressly object to any such differing terms and conditions. Such differing terms and conditions shall not become part of a contract, either by acceptance of the order or implicitly by any other act.

II. PRICES / PROCESSING FEES

1. The prices and discounts applicable on the date of delivery or performance plus the relevant statutory value added tax shall apply.

2. We may charge an additional processing fee for an order if quantities do not reach the minimum quantities and/ or minimum order value as contained in the relevant price list.

III. DELIVERY TIMES / DEFAULT / SCHEDULE TRANSACTIONS

1. A delivery period shall begin to run from the date of confirmation of the order but in no case earlier than the date of final agreement on all matters to be clarified with the ordering party prior to the start of production.

2. In case of any unforeseen or unavoidable event in the production or other obstacles such as force majeure, labor disputes or other disruptions in our own business or in the business of our suppliers as well as delayed delivery by our suppliers may extend the delivery period by a period of time equal to the duration of such force majeure event. We shall inform the purchaser of the start and end of such circumstances as soon as possible.

3. To the extent that we are in default and the purchaser incurs any damage as a result thereof, the purchaser may demand default compensation. Such default compensation will be one-half percent (0.5%) for each full week of delay of the value of that part of the total delivery that could not be used as anticipated by the contract as a result of the delay, but in no event more than five percent (5%) of such value. All other rights for delay shall be governed exclusively by Article VII Sections 2 and 3 hereof. The purchaser may rescind (*Rücktritt)* the contract in accordance with the applicable statutory provisions only if we are responsible for the delay of the delivery.

4. To the extent that we have agreed with a purchaser that a particular delivery volume is to be delivered within a specified time period ("Agreed Period") and that the purchaser has the right to determine the specific delivery date, the purchaser must notify us of the desired delivery date not less than twelve (12) weeks prior to such date. After the Agreed Period has expired, we may invoice the purchaser for any volume of products with respect to which delivery has not been requested and deliver such products.

5. Partial deliveries are permissible to the extent that such partial deliveries are not unreasonably burdensome for the purchaser.

IV. PACKAGING / SHIPPING / INTRA-COMMUNITY SUPPLY

1. Delivery shall be EXW (Incoterms 2010) from the location designated in the offer and order confirmation.

2. The method of packaging and the packaging material will be determined by us at our sole discretion.

3. Palettes, containers, and other reusable packaging remains our property and must be returned by the purchaser to our delivery center without undue delay and at no charge to us. We shall invoice disposable packaging at cost and will not take back such packaging.

4. The purchaser shall be responsible for additional costs for express shipping and for the mailing costs for small item deliveries.

5. In case of deliveries into other EU member states ("Intra-Community Supply") the purchaser is obliged to support us with any reasonable assistance in order to prove the Intra-Community Supply. In particular, we can request a signed and dated confirmation of the Intra-Community Supply containing at least: name and address of consignee, quantity and commercial description of the goods and place and date of receipt of goods. If the purchaser does not comply with the aforesaid cooperation obligation, the purchaser shall be liable for any damages resulting thereof, especially shall compensate any value added tax (VAT) imposed on us.

V. PAYMENT

1. Payment must be made without any deductions to one of our bank accounts within thirty (30) days of receipt of invoice. Invoices shall be deemed to have been received within 3 days of dispatch, unless the purchaser proves otherwise.

2. The purchaser shall be in payment default as soon as the agreed payment date has passed unless payment does not take place due to a circumstance for which the purchaser is not responsible.

3. It is not permissible to retain any payment on the basis of any counter-claim or to set-off such payment in relation to any counter-claim unless such counter-claims or set-off are undisputed, or have been finally judicially determined.

VI. RETENTION OF TITLE

1. We retain title to all goods delivered by us until all claims resulting from the business relationship with the purchaser have been satisfied ("Retained Goods"). In cases of current accounts the retained property shall be deemed to be collateral for the claim in relation to the balance of the account.

2. If the Retained Goods become part of a new item by way of incorporation and if such item is owned by the purchaser, it is hereby agreed that the purchaser transfers co-ownership to the new item to us and acts as bailee in this regard without compensation. Our co-ownership share shall be determined by the relationship of the value of the Retained Goods to the value of the new item.

3. The purchaser is entitled to resell the goods within the ordinary course of business. The purchaser hereby assigns to us all claims against its customers that result from the sale of the Retained Goods. We hereby accept such assignment. If the Retained Goods are sold together with other goods that are not owned by us, then the purchaser assigns to us such part of the claim resulting from the sale that is equal to the invoiced amount for the Retained Goods. If Retained Goods are only partially owned by us and are sold, the part of the claim resulting from the sale that is assigned to us will be equal to our percentage of the ownership in the Retained Goods.

4. The purchaser shall remain entitled on a revocable basis to collect any claims resulting from the resale of the Retained Goods. If requested, the purchaser must notify its customers of the assignment of the claim and provide us with all information and documents required to enforce our rights.

5. We shall release the collateral to which we are entitled to the extent that the value of such collateral exceeds the claims to be secured by more than ten percent (10%).

6. The purchaser must notify us without undue delay if the Retained Goods are attached or if our rights are adversely affected by a third party in any other way. The purchaser shall also immediately inform the distrainor of the retention of title.

7. To the extent that mandatory legal provisions of the relevant foreign country do not contemplate retention of title within the meaning of Article VI 1-6, but do provide for other forms of security in relation to claims arising from invoices of suppliers, we hereby reserve the rights to such. The purchaser shall cooperate with us with respect to all measures we may reasonably request to be undertaken in order to protect our rights of title or other substitute rights in relation to the Retained Goods.

VII. WARRANTIES / LIMITATION OF LIABILITY

1. The statutory rights of the purchaser pursuant to § 437, No. 1 German Civil Code (*BGB*) shall apply subject to the following conditions:

   a) To the extent that supplied goods are unusable in whole or in part due to any defect, we shall at our reasonable discretion, either cure such defect at no cost to the purchaser or deliver, at no cost to the purchaser, defect-free goods (hereinafter “Supplementary Performance”). We are not responsible for damage due to natural wear and tear during the time of use.

   b) The purchaser must grant to us a reasonable period of time and reasonable opportunity to permit Supplementary Performance, which Supplementary Performance will be performed by us in our reasonable discretion. The purchaser has the right to perform Supplementary Performance itself or to cause a third party to perform such Supplementary Performance and, in each case, demand reimbursement of the costs associated therewith, only (i) in case of emergency relating to operational security, (ii) to avoid unreasonably high damages or (iii) when we are in default with respect to the Supplementary Performance. The purchaser must notify us immediately of an occurrence of any of the events described in the previous sentence.

2. The additional statutory rights of the purchaser apply subject to the following:

   a) Claims for damages for whatever reason are excluded, unless caused by our wilful misconduct or gross negligence or by wilful misconduct or gross negligence by any party assisting in the performance of our obligations (*Erfüllungsgehilfe*).

   b) The aforementioned exclusion of liability shall not apply insofar as any claim arises from a breach of fundamental contractual duties. To the extent that we negligently breach a fundamental contractual duty, our liability shall be limited to reimbursement of the ordinary foreseeable damage.

   c) Liability for personal injury and in accordance with mandatory product liability shall remain unaffected thereby.

   d) As far as our liability is excluded or limited, such exclusion or limitation shall also apply to any personal liability of our employees, representatives and persons assisting in the performance of our obligations (*Erfüllungsgehilfe*).

   e) The purchaser shall inform us without undue delay in writing about, or enable us to document, any costs, expenses and damages which we have to reimburse.

3. Our liability is hereby excluded unless Article III Section 3 or Article VII Sections 1 or 2 provide otherwise.

4. Defects must be notified to us after discovery without undue delay. Purchaser's obligations under §§ 377, 378 German Commercial Code (HGB) shall remain unaffected. The delivered goods with respect to which defects have been notified must be kept available for us. We shall bear the costs of any return shipment to us only if such shipment takes place at our request.

5. The purchaser shall bear the burden of proof for establishing the elements of any breach of duty on our part alleged by the purchaser. This burden of proof shall also apply with respect to our willful misconduct or negligence.

6. Claims for defects are subject to a time bar period of 24 months beginning with the delivery of the delivered goods unless applicable mandatory statutory law provides for a longer limitation period.

7. § 350 of the German Civil Code applies *mutatis mutandis* to statutory rescission rights.

VIII. GUARANTEE / PROCUREMENT RISK

1. Guarantees and procurement risks (*Beschaffungsrisiko*) require, in order to be validly assumed by us a specific assumption of risk expressly designated as such.

2. The assumption of any guarantee or procurement risk shall require written form in the meaning of §126 sec. 1 BGB in order to be effective.

3. The purchaser agrees with us that statements in our catalogues, printed material, brochures and other general information in no event and at no time constitute a guarantee or the assumption of the procurement risk.

IX. USE OF SOFTWARE

1. To the extent that the scope of delivery includes software, we hereby grant to the purchaser a non-exclusive, non-transferable license that is limited to a definite time period pursuant to the provisions of the particular delivery, to use the software and its accompanying documentation in connection with the relevant delivered item. The software may not be used in connection with more than one delivered item. The granting of sub-licenses is not permitted.

2. The purchaser may reproduce, revise, translate or modify from object code to source code the software only within the statutorily permitted scope (§§ 69a et seq. German Copyright Act -- *Urhebergesetz*). The purchaser may not remove manufacturer information - in particular copyright labels or notices - or make any other modifications without our prior written express consent. We reserve all other rights to the software and the accompanying documentation, including copies.

X. CONFIDENTIALITY

1. The purchaser and we will keep confidential all information received from each other. This confidentiality provisions shall continue to apply after termination of any delivery contract. The confidentiality obligation does not apply to information that (i) the receiving party had already obtained legitimately at the time of disclosure, provided such information was not subject to a confidentiality obligation or (ii) that the receiving party later obtains independently and legitimately without being obliged to keep such information confidential, or (iii) that is or becomes generally known without any breach of contract by one of the parties.

2. Each party retains title and all rights to all documents or other media made available to the other party. Such documents or other media may be reproduced, replicated or transferred to third parties only with the consent of the party making such available.

XI. MISCELLANEOUS

1. The place from which our delivery originates shall be deemed to be the place of performance.

2. The place of competent jurisdiction shall be Baden-Baden. Notwithstanding the foregoing, we shall have the right to also commence legal proceedings at the principal place of business of the purchaser.

3. The contractual relationship shall be governed by the laws of the Federal Republic of Germany to the exclusion of any rules governing the conflict of laws. **The application of the Convention for the International Sales of Goods (CISG) is hereby expressly excluded.**

4. The failure to assert, in whole or in part, any right arising from a delivery contract or the assertion of any such right belatedly shall not be construed as a waiver of such right or any other right.

5. If any provision of these General Conditions of Sale and Delivery is or becomes ineffective, the remaining provisions shall remain valid. In such case, we and the purchaser shall replace such provision with an effective provision which most closely reflects the commercial purpose of the ineffective provision.

6. Please note that we store and process personal data in the course of business transactions. All legal regulations concerning data privacy are observed.

LuK GmbH & Co. KG