

ZF GREAT BRITAIN LIMITED

STANDARD TERMS AND CONDITIONS OF TRADE

ALL PREVIOUS CONDITIONS OF TRADE ARE HEREBY CANCELLED AND SUPERSEDED BY THESE CONDITIONS

1. INTERPRETATION

In these Conditions, the following expressions shall have the meanings set out below unless the context requires otherwise: "the Company" means ZF GREAT BRITAIN LIMITED (Company number 0137722) whose registered office is at Abbeyfield Road, Lenton, Nottingham NG7 2SX; "the Conditions" means the standard conditions of trade set out in this document and (unless the context requires otherwise) including any Special Conditions; "the Contract" means the contract for the sale and purchase of the Goods and/or the supply and acquisition of the Services subject always to the Conditions; "the Deliverables" means all documents, Goods, products and materials developed by the Company or its agents, subcontractors, consultants and employees in relation to the Services in any form, including computer programs, data, reports and specifications (including drafts); "the Goods" means all products, goods or Deliverables (including any instalment of such goods or any parts for them) supplied by the Company in accordance with the Contract; "the Purchaser" means the person whose order for Goods and/or Services is accepted by the Company; "the Services" means any work, labour or services carried out by the Company under a Contract including provision of the Deliverables; "the Special Conditions" means any additional conditions agreed between the Purchaser and the Company and which form part of the Contract; "Warranty Document" means the specific document containing the Company's standard warranty terms and conditions (as amended from time to time) in respect of the Goods and / or Services which are incorporated into and form part of the Contract; a copy of the current version of which is attached to these Conditions as Appendix 1. The headings in these Conditions are for convenience only and shall not affect their interpretation. Any reference in these Conditions:

- to a statute or a provision of a statute shall be construed as a reference to that statute or provision as amended, updated, re-enacted or extended from time to time;

- to the singular shall include the plural and vice versa and any reference to one gender shall include all genders;

- to a person includes bodies corporate, unincorporated associations and partnerships (including limited liability partnerships).

2. **APPLICATION** Corp:3442400:1 2 May 2008 Page 1 of 16
The Company shall sell and the Purchaser shall purchase the Goods and/or Services in accordance with the Purchaser's order (if accepted by the Company) in accordance with the procedure set out in these Conditions, subject always to these Conditions which shall govern the Contract to the exclusion of any other terms or conditions subject to which any such order is made or purported to be made (other than those implied in favour of the Company which are not included within and do not conflict with these Conditions).

The Company's sales agents or agents are not authorised to make any representations or give any advice or recommendations concerning the Goods and/or Services unless confirmed by the Company in writing. Any quotation or estimate issued by the Company is indicative only and does not constitute an offer by the Company which is capable of acceptance by the Purchaser. Information contained in any such quotation or estimate, or any sales, promotional or other literature issued by or on behalf of the Company is for illustrative purposes only and the Purchaser agrees to rely upon his own judgement as to the nature and quality of the Goods / products or the Services, this shall be deemed to be conclusive proof of the acceptance by the Purchaser of the Company's representations and their suitability for his purposes. The Purchaser further acknowledges that he has not relied upon any representation or statement made by the Company, its employees, servants or agents either orally or in writing thereto. Any typographical or other error or omission in any information or documentation issued by or on behalf of the Company shall be subject to correction without liability on the part of the Company.

3. ACCEPTANCE

Each order placed by the Purchaser for the Goods and/or Services shall be deemed to be an offer by the Purchaser to buy the Goods and/or Services subject to these Conditions. No order placed with the Company by a Purchaser is binding on the Company unless and until it is accepted in writing by an authorised representative of the Company, at which point a binding Contract shall be deemed to have come into effect on these Conditions. In any event, if the Company commences work on production of the Goods / products or the Services, this shall be deemed to be conclusive proof of the acceptance by the Company of the Purchaser's order and the point at which a binding Contract shall be deemed to have come into effect on these Conditions. The Purchaser shall be responsible for ensuring the accuracy of its order and for giving the Company any necessary information relating to the Goods and/or Services within a sufficient time to enable the Company to perform the Contract in accordance with its conditions.

4. **DELIVERY AND DELAY** Corp:3442400:1 2 May 2008 Page 2 of 16

4.1 Time of delivery of the Goods and/or performance of the Services is not of the essence of the Contract. The Company shall not be liable to the Purchaser for any direct, indirect or consequential loss (all three of which terms include, without limitation, pure economic loss, loss of profits, loss of business, depletion of goodwill and similar loss), costs, damages, charges or expenses caused directly or indirectly by any delay in delivery of the Goods or the provision of the Services (even if caused by the Company's negligence), and in any event, such delay shall not entitle the Buyer to terminate or rescind the Contract unless such delay exceeds [180] days from the stated date of delivery.

4.2 Subject to clause 12, if the Purchaser fails to take delivery of the Goods or fails to give the Company adequate delivery instructions at the time stated for delivery (otherwise than by reason of any cause beyond the Purchaser's reasonable control or by reason of the Company's fault) then, without prejudice to any other right or remedy available to the Company, the Company may:

(a) store the Goods until actual delivery and charge the Purchaser for the reasonable costs (including insurance) of storage; and/or

(b) sell the Goods at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) account to the Purchaser for the excess over the price under the Contract or charge the Purchaser for any shortfall below the price under the Contract.

4.3 Where the Goods are to be delivered or Services are to be performed in instalments, each delivery and each performance shall constitute a separate Contract and failure by the Company to deliver any one or more of the instalments in accordance with these Conditions shall not constitute a breach of the Contract and the failure to deliver any one or more of the instalments shall not entitle the Purchaser to treat the Contract as a whole as repudiated.

4.4 If the Goods are to be delivered or the Services are to be performed in instalments and the Purchaser cancels the Contract then, subject to Condition 10, the Purchaser shall promptly pay such sum as the Company notifies the Purchaser as representing an appropriate part of the price for Goods supplied and/or Services performed prior to the date of cancellation and the Company shall be entitled to retain any deposit or other interim payment to satisfy such sum.

5. PRICE

5.1 The price of the Goods and/or Services shall be the Company's quoted price or, where no price has been quoted (or a quoted price is no longer valid), the price listed in the Company's published price list current at the date of acceptance of the order by the Company. All prices quoted are for Goods supplied and/or Services performed prior to the date of acceptance by the Company and may be altered by the Company without giving notice to the Purchaser.

5.2 The prices quoted are exclusive of carriage costs for Goods and exclusive of any applicable Value Added Tax and any other levy or tax which the Purchaser shall additionally be liable to pay. The Purchaser shall also pay, in addition to the Contract price, any extra costs that may be incurred by the Company by reason of any of the following acts or omissions by the Purchaser or its agents:

(a) the failure to provide any or adequate instructions, specifications or other information as required by or implicit in the Contract, or other matters within the control of the Purchaser;

(b) the request of the Purchaser for the Company to arrange for its employees to work overtime; or

(c) any alteration of the quality specifications or manufacturing details (including proof of the corrections of any error therein) by the Purchaser. All the provisions of these Conditions and the Contract applicable to payment of the price of the Goods and/or Services shall apply equally to the payment by the Purchaser of any additional costs set out in these Conditions.

5.3 The Company may, by giving notice to the Purchaser at any time before delivery or performance, increase the price of the Goods or Services to reflect any increase in cost which is due to any factor beyond the control of the Company (such as, without limitation, any foreign exchange fluctuation, currency regulation, alteration of duties, significant increases in the costs of labour, materials or other costs of manufacture).

6. PAYMENT

6.1 Unless the Purchaser has a credit account duly authorised in writing by the Company, the Company shall be entitled to invoice the Purchaser for the Contract price on the date agreed under the terms of the Contract or as otherwise notified to the Purchaser by the Company - this will normally be the date when the Goods are ready for delivery or the Services have been performed, but the Company reserves the right to submit interim invoices requiring payment before this date. Such invoice(s) shall be due and payable by the Purchaser in full (without any right of deduction or set off in favour of the Purchaser) from the date of issue of such invoice(s) by the Company.

6.2 If the Goods are to be delivered or the Services are to be performed in instalments the Company shall issue a separate invoice in respect of each instalment and the Purchaser shall pay for each instalment of Goods / Services in accordance with Condition 6.1 or (if the Purchaser has a credit account) Condition 6.3.

6.3 If the Purchaser has a credit account the Company shall be entitled to invoice the Purchaser for the Contract price as soon as the Goods are ready for delivery or the Services have been performed. Payment in full of such invoices (without any right of deduction or set off in favour of the Purchaser) is due on the earliest of:

(a) the end of the month following the date of invoice;

(b) the 30th day of the month following the date of invoice; and

(c) notification to the Purchaser of the completion of any Services.

6.4 The time of payment of the Contract price shall be of the essence of the Contract.

6.5 If the Purchaser fails to make full payment on the due date then without prejudice to any other right or remedy available to the Company, the Company may (without incurring liability to the Purchaser):

(a) cancel the Contract or suspend any deliveries of Goods or performance of Services to the Purchaser;

(b) appropriate any payment made by the Purchaser to such of the Goods or Services (or the Goods already supplied or Services already performed under any other contract between the Company and the Purchaser) as the Company may think fit (notwithstanding any purported appropriation by the Purchaser); and

(c) charge the Purchaser interest (both before and after any judgment) on the amount unpaid at the annual rate of 5 per cent above Barclays Bank Plc base rate from time to time until payment in full is made.

7. LIABILITY

7.1 The Company's standard warranty terms in respect of the Goods and/or Services supplied by the Company are set out in the Warranty Document, a copy of which is attached to these Conditions at Appendix 1.

7.2 (a) All claims under the Warranty Document shall be made within 14 days of delivery of the Goods or completion of any Services or (where any defect in the Goods/Services was not apparent on reasonable inspection) within a reasonable time after discovery of the defect. Any materials or Goods that the Purchaser claims are defective must be returned to the Company within 7 days of the complaint being made to the Company. Any claim under the Warranty Document that does not comply with these conditions will be considered invalid and will not be considered by the Company.

(b) Where any claim is made in respect of the Goods/Services, the Company reserves the right to inspect the Goods and the Company agrees that such claim is valid (such assessment having been made in accordance with the terms of the Contract and the terms set out in the Warranty Document) the Company may repair or replace the Goods (or the part in question) free of charge or, at the Company's sole discretion, refund to the Purchaser the price of the Goods (or a proportionate part of the price) but the Company shall have no further liability to the Purchaser.

(c) Except as expressly provided in these Conditions, all warranties or conditions implied by statute, common law or otherwise are excluded to the fullest extent permitted by law.

7.3 (a) Nothing in these Conditions or the Warranty Document shall operate to exclude or limit the Company's liability in respect of death or personal injury caused by the Company's negligence or willful misconduct or by the Company's fraud or fraudulent misrepresentation.

(b) Subject to 7.3(a) above, the Company shall not be liable to the Purchaser under or in connection with this Contract for any indirect, special or consequential loss or damage (whether for loss of goodwill, reputation, profit opportunity or otherwise) whether or not caused by the negligence of the Company, its employees or agents.

(c) Subject to 7.3(a) and (b), the entire liability of the Company under or in connection with the Contract shall not exceed the price of the Goods or the price paid for the Services.

(d) Subject to 7.3(a), (b) and (c), the Company shall not be liable for any loss or damage whether direct or indirect arising out of any defect in the Goods arising from (a) the Purchaser's specifications (including specifications as to materials or design) or (b) defects in or the unsuitability of products or materials selected by the Purchaser.

7.4 The Company shall be liable for any failure to fulfil its obligations hereunder caused (directly or indirectly) by any one or more of the following (i) strikes; (ii) lockouts; (iii) industrial disputes; (iv) fires; (v) accidents (whether to personnel or machinery, materials, equipment or apparatus); (vi) defective materials; (vii) lack of availability of materials; (viii) hazards of war; (ix) civil commotion; (x) EU, national or local governmental regulation; (xi) Acts of God; and (xii) any other cause (without limitation) outside its control.

8. INTELLECTUAL PROPERTY

8.1 The Purchaser shall indemnify the Company against all costs, claims and damages incurred by the Company as a result of any alleged infringement of patents, trade marks, design, copyright or other intellectual property rights occasioned by the provision of any Services or the manufacture, sale or use of any Goods made to (or any use by the Company of) the specification or special requirements of the Purchaser.

8.2 No right or licence is granted to the Purchaser under any registered design, patent, copyright, trademark or other intellectual property right except the right to use to use or to resell the Goods (subject always to these Conditions).

9. ADVERTISING

The Company believes that the contents of any advertising in respect of any Services or appearing on the Goods or their packaging or appearing on any other material issued by the Company is true and accurate but makes no representation to the Purchaser in respect thereof. The Company accepts no liability in respect of any costs, claims, damages, awards or other compensation which the Purchaser may incur as a result of any of the advertising being untrue or as a result of its infringing any trademark, copyright, design right or any other intellectual property.

10. CANCELLATION

No order which has been accepted by the Company may be cancelled by the Purchaser except with the agreement in writing of the Company and on condition that the Purchaser pays to Company:

(a) the total costs incurred by the Company in producing the Goods and/or providing the Services which are the subject of the order (including the costs of labour and materials); and

(b) the Company's loss of profit in respect of the Contract; and

(c) any other costs incurred by the Company arising directly or indirectly out of such cancellation by the Purchaser; in the amount and on the date notified by the Company to the Purchaser.

Notwithstanding the provisions of Condition 12.

11. **TITLE**
(a) Title shall not pass to the Purchaser until the Company has received payment in cleared funds from the Purchaser of the Contract price in full with all VAT thereon together with all other moneys that may be or become due from the Purchaser to the Company hereunder and under any other contract between the Purchaser and the Company.

(b) Until title to the Goods passes to the Purchaser, the Company may require the Purchaser to deliver the Goods or any of them to it on demand. The Goods, whilst in the possession of the Purchaser, shall be held as the Company's fiduciary agent and bailee and shall be stored separately from any other goods and marked clearly in a manner which makes them readily identifiable as the Goods of the Company. The Purchaser shall ensure that the Goods are kept fully insured at all times until such time as title has transferred to the Purchaser in accordance with these Conditions.

(c) The Purchaser shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods or any part thereof until the Company has received payment in cleared funds from the Purchaser of the Contract price in full (without limiting any other right or remedy of the Company) forthwith become due and payable.

(d) The Company (and / or its agents or representatives) shall be entitled at any time to enter the Purchaser's premises to inspect the Goods and all stock entries, books of account, invoices, sales ledgers and other documents pertaining to them and to collect the Goods or any of them. The Purchaser shall be responsible for all the Company's costs and expenses in connection with so doing and the Company shall not be liable for any damage caused by entering the Purchaser's premises.

(e) The Purchaser may sell any Goods in the ordinary course of business which may have been delivered but which are still owned by the Company PROVIDED THAT the Company may by notice given at any time terminate the right to sell. Such right shall terminate automatically upon a receiver or administrative receiver being appointed over any assets of the Purchaser or the Purchaser going into liquidation or becoming subject to an administration order.

(f) If the Purchaser sells the Goods pursuant to the rights granted in (e) above, the Purchaser shall hold the proceeds of sale as trustee for the Company until the Contract price has been paid and shall open a separate account with its bankers for the sole purpose of receiving the proceeds of sale of the Goods and paying out of it the price of the Goods to the Company.

(g) The Purchaser may attach the Goods to goods of a third party or its own but not in such a way that the Goods lose their separate identity and are not capable of being removed PROVIDED THAT the Company may by notice given at any time terminate this right and such right shall terminate automatically upon a receiver or administrative receiver being appointed over any assets of the Purchaser or the Purchaser going into liquidation or becoming subject to an administration order.

12. DELIVERY AND RISK

The Goods are at the Purchaser's risk from the first Delivery of the Goods to the Purchaser. "Delivery" shall mean:

(a) Where the Goods are to be collected by the Purchaser, when the Goods have been loaded on to the vehicle of the Purchaser until all moneys due to the Company from a Purchaser whether due under this Contract or any other have been paid in full and shall be entitled, upon the expiration of 14 days notice to the Purchaser, to dispose of such goods, vehicles or other property as it thinks fit and to apply any proceeds of sale thereof (after deducting the Company's reasonable selling expenses) towards the payment of such debts.

(b) Where the Goods are to be delivered by the Company or its carrier, when the Goods are so delivered; or if the Purchaser fails to notify the Company of the place at which the Goods are to be delivered or wrongfully fails to take delivery of the Goods upon the expiry of five (5) working days after the Company has given the Purchaser notice that the Goods are ready for delivery.

13. CARRIAGE

13.1 Any claims for short delivery or damage to Goods in transit (however arising) will not be considered by the Company unless both the Company and (where applicable) the carrier are advised by the Purchaser in writing of the claim within forty eight (48) hours of delivery and both the Company and (where applicable) the carrier receive from the Purchaser a detailed claim in writing within fourteen (14) days of delivery.

13.2 Where Goods are despatched by carrier any claim for non-delivery (however arising) will not be considered by the Company unless both the Company and the carrier are advised by the Purchaser in writing within forty eight (48) hours of the despatch date and both the carrier and the Company receive a detailed claim in writing from the Purchaser within fourteen (14) days of the despatch date.

13.3 Where Goods are sold f.o.b., the responsibility of the Company shall cease as soon as the Goods are over the ship's rail and the Company shall be under no obligation to give the Purchaser notice under Section 32(3) of the Sale of Goods Act 1979.

14. ACTION FOR PRICE

The Company shall be entitled to sue for the price of the Goods notwithstanding that title to the Goods has not passed to the Purchaser.

15. LIEN

The Company shall, in respect of debts owed to it by the Purchaser, have a lien upon all goods, vehicles or parts of vehicles handed or delivered to the Company by the Purchaser or otherwise in the possession of the Company and owned or used by the Purchaser until all moneys due to the Company from a Purchaser whether due under this Contract or any other have been paid in full and shall be entitled, upon the expiration of 14 days notice to the Purchaser, to dispose of such goods, vehicles or other property as it thinks fit and to apply any proceeds of sale thereof (after deducting the Company's reasonable selling expenses) towards the payment of such debts.

16. REPAIR

If any Goods or other materials received by the Company from the Purchaser for repair or for any other reason are not removed within seven days of the Company's request to the Purchaser to remove the same, the Company may charge for storage (at the rate at which it normally charges for storage) and may at any time thereafter sell the Goods or other materials and deduct all unpaid charges for repairing or storing the Goods together with any other expenses incurred by the Company out of the proceeds of sale, the balance of all moneys due to the Company from the Purchaser in respect of the Goods or parts which are not fit for further use and which are not collected by the Purchaser within seven days of the Company's request that they be collected will be disposed of and the Company will not be called upon to make any payment to the Purchaser in respect thereof.

17. ELECTRONIC COMMUNICATIONS

17.1 (a) "Electronic Communication" means any communication transmitted electronically either to the Company by the Purchaser or to the Purchaser by the Company in connection with the ordering and/or supply of the Goods or provision of Services including without limitation the submission by the Purchaser and acceptance by the Company of orders for the Goods / Services.

(b) the "Originating Party" means any party transmitting an Electronic Communication.

(c) "the Receiving Party" means the party receiving an Electronic Communication. References in these Conditions to the term "in writing" shall be deemed to include where the communication in question is transmitted electronically.

17.2 To the extent permitted by English law, the Company and the Purchaser shall, where the Company permits, conduct transactions for the supply of Goods / Services using an electronic commerce approach under which the Company and the Purchaser shall electronically transmit and receive Electronic Communications, which, where appropriate, shall create legally binding commitments between the parties. Where the Company and the Purchaser conduct transaction in this way then the following conditions shall apply:

(a) The Purchaser shall provide and maintain the equipment, software, services and testing facilities necessary for it to effectively and reliably transmit and receive Electronic Communications.

(b) Any Electronic Communication will be deemed received:

(i) where the Purchaser is the Receiving Party, upon arrival at its mailbox at the internet address apparent from the last Electronic Communication successfully transmitted by it; or

(ii) where the Company is the Receiving Party, when the Electronic Communication is accessed by it in intelligible form.

(c) The Receiving Party shall promptly notify the Originating Party if an Electronic Communication is received in unintelligible form providing that the Originating Party can be identified. In the absence of such notice, the Company's record of the contents of any such Electronic Communication will prevail.

(d) The Purchaser shall authenticate Electronic Communications transmitted by it using a digital signature or user identification and the Company and the Purchaser shall ensure that the Company from time to time and shall maintain security procedures to prevent unauthorised use of any such authentication. The Purchaser agrees that any authentication contained in any Electronic Communication shall be sufficient to confirm that the Purchaser originated the Electronic Communication in question.

18. TERMINATION OF CONTRACT

If:

(a) the Purchaser commits any breach of these Conditions or of any other term of the Contract; or

(b) the Purchaser makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation; or

(c) an encumbrancer takes possession, or a receiver or administrative receiver is appointed, of any of the property or assets of the Purchaser; or

(d) the Purchaser ceases or threatens to cease to carry on business; or

(e) the Purchaser becomes subject to or bound by any event or circumstances similar to any of the events or circumstances mentioned above in any jurisdiction; or

(f) the Company reasonably believes that any of the events mentioned above is about to occur; or

(g) there is a material change of control in the ownership of the Purchaser's business; the Company may, without prejudice to any other right or remedy available to it, cancel the Contract or suspend any further deliveries or performance of Services under the Contract without liability and if the Goods have been delivered or Services performed but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

19. LAW

The Company and the Purchaser hereby submit to the non-exclusive jurisdiction of the English Courts and this Contract shall be governed by and interpreted in accordance with English law.

20. GENERAL

20.1 The Company may assign, novate, transfer or sub-contract this Contract or any part of it. The Purchaser may not assign, novate, transfer or subcontract this Contract or any part of it without the prior written consent of the Company.

20.2 The Company is a member of a group of companies and the Company may, at its sole discretion, perform any of its obligations or exercise any of its rights under the Contract by itself or through any other member of its group, provided that any act or omission of any such other member shall be deemed to be the act or omission of the Company.

20.3 No waiver by the Company by any breach of the Contract by the Purchaser shall be considered as a waiver of any subsequent breach of the same or any other provision.

20.4 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions and the Purchaser's obligation to perform the provision in question shall not be affected.

20.5 A person who is not a party to this Contract has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Contract.

20.6 The Contract constitutes the whole agreement between the parties and supersedes all previous agreements between the parties relating to its subject matter. Each party acknowledges that, in entering into the Contract, it has not relied on, and shall have no right or remedy in respect of, any oral agreement, representation, warranty or assurance (whether made negligently or innocently) (other than for breach of contract), as expressly provided in the Contract. Nothing in this condition shall limit or exclude any liability for fraud.

20.7 No variation or modification of these Conditions will bind the Company unless specifically agreed in writing between authorised representatives of the Company and the Purchaser and the provisions of the variation in question shall not be affected.

20.8 The Purchaser shall not disclose to any third party any confidential matters relating to the Company, any order or quotation or the existence or content of the Contract without the prior written consent of an authorised representative of the Company.

Appendix 1 ZFGB General Warranty Terms and Conditions

These are ZFGB's standard Warranty Terms and Conditions. They are incorporated into all contracts between ZFGB and purchasers of ZFGB Goods and Services and will apply to all such contracts unless specific variations are agreed in writing between the parties and listed as Appendices to this document.

The terms set out in this warranty document are subject always to (i) the limitations of liability set out in the Conditions and below and (ii) the procedure set out in the ZFGB standard terms and conditions of trade for making a valid warranty claim in respect of Goods / Services supplied to the Purchaser.