



Date: 2012-01-10

GENERAL SUPPLY CONDITIONS

1. SCOPE

AQ Wiring Systems Sp z o o, reg. no. PL 7281357239, ul. Zakładowa 99, 92-402 Łódź, Poland and its affiliates (hereinafter referred to as AQW) undertakes, in accordance with these conditions and in the manner stated herein, to supply the Customer with the products in accordance to valid product specifications.

2. DRAWINGS, DESCRIPTIONS, ETC.

Drawings and technical documents relating to the products and their manufacture which are supplied by one party to the other remain the property of the party supplying them, unless the parties agree otherwise. Such documents and other technical information received may not, without the consent of the party which supplied them, be used in any other way or to a greater extent than is necessary to fulfil that party's own contractual obligations with the party supplying the documents or information in accordance with this agreement.

3. INITIAL SAMPLE

Initial sample shall be produced and validated by AQW. A validation report or, if agreed, the Initial Sample shall be supplied to the Customer by AQW for inspection and approval before serial deliveries takes place.

Within reasonable time from receipt of the report or initial sample, the Customer must issue notification in writing of the result of the inspection. When the initial sample has been approved by the Customer, no vital exchange of material and manufacturing method may take place without the Customer's approval in writing.



4. ORDERS AND FORECASTS

The Customer shall provide AQW with a rolling delivery schedule or forecast (The Forecast) covering minimum six months, but preferably 12 months. Initial lead time for first delivery shall be agreed in conjunction with the signing of the Purchase Contract. Unless otherwise agreed, The Forecast shall include three sections, (i) – (iii), as follows:

- (i) Order with fixed suborder quantities for 4 weeks (“frozen period”). Customer is committed to purchase these quantities at time specified.
- (ii) Order with fixed suborder quantities for 5-8 weeks (“production period”). Customer is committed to purchase these quantities, but delivery dates are allowed to change by maximum 2 weeks.
- (iii) Forecast quantities for minimum additional four months (“material period”) following the end of the “production period”. The Customer is committed to cover the cost for material purchased by AQW for this period against the quantities forecasted by the Customer. AQW will always purchase minimum quantities and MOQs to assure capacity to meet the demands of The Forecast.

The orders for sections (i) and (ii) shall consider agreed minimum order quantity (MOQ), weekly capacity and lead time and are binding on the parties in accordance with what is stated below. Section (iii) is binding for the Customer only for the material cost of the products.

Unless AQW informs the Customer of its non-acceptance of The Forecast in writing no later than 5 working days from receipt of the plan, AQW shall be considered to have accepted The Forecast.

If the customer wishes to deviate from agreed terms and AQW has not accepted in accordance with section (i-iii) the parties must immediately begin negotiations on a separate agreement on the conditions for delivery in accordance with new requested terms.

5. DELIVERY

Delivery shall take place on the dates agreed. If AQW is unable to deliver within the prescribed period, AQW shall notify the Customer of that fact without delay. In that event, AQW shall also state when a new delivery can take place (a new delivery date). If the Customer agrees to the new delivery date, this shall be regarded as equivalent to the Customer required delivery. Delivery shall



then take place either by the new delivery date or, if no such date has been established, as soon as possible.

6. PRICES / PRICE ALTERATIONS

Prices for products are based on cost levels known at time of agreement. For each product a copper weight is established to calculate cost of copper in the product. Changes of copper price is cause for price alteration of the product. The mechanism for this price regulation is to be agreed separately. Changes of the cost for material or production is valid cause for the AQW to request price alteration on the products. If the quantities ordered substantially deviate from the forecast quantities or if there is any other substantial change to the financial conditions for the agreed prices, each party has a right to request that prices be renegotiated.

7. QUALITY

During manufacture and prior to delivery, AQW shall carry out quality assurance in accordance with procedures agreed with The Customer.

The Customer has a right to carry out reasonable checks on manufacturing at AQW's premises, giving advance notice.

8. LIABILITY FOR FAULTS

In accordance with what is stated below, AQW is liable for any faults in the goods due to defects in design (if designed by AQW), materials or manufacture. AQW is not liable for faults due to materials supplied by the Customer or due to design prescribed or specified by the Customer.

- a. AQW is liable for the products up to a maximum of 24 months from the date when AQW delivers them to the Customer.
- b. AQW has no liability for faults appearing after this period have ended.
- c. In the event of a fault, AQW must, at its own expense and at the Customer's discretion, deliver new goods which are free of faults, repair the fault or credit the Customer with the price of the defective goods.



- d. In the event of repair or replacement delivery, AQW is liable only for transport between its workshop and the original delivery address.
- e. If a credit note is issued or a replacement delivery is agreed, AQW has the right to request the defective goods in return and at its own expense.
- f. Exchange of defective parts or repairs shall take place as soon as possible after the complaint or at the moment agreed by the parties.
- g. The Customer shall submit a written complaint concerning a fault without delay and state required actions. If the Customer fails to submit a complaint within the prescribed period, it loses the right to file a claim due to the fault.
- h. AQW has no liability for faults in addition to what is stated above and what may derive from the rules on cancellation.

9. TOOLS, MEASURING DEVICES, MODELS, ETC.

Tools produced or purchased by AQW remain the property of AQW.

Tools supplied by the Customer and tools produced by AQW in accordance with specifications supplied by the Customer may only be used for manufacturing on behalf of the Customer.

AQW shall keep the tools fully insured and carry out regular maintenance. If AQW, at the Customer's request, carries out special maintenance or repairs on the tools supplied, the Customer shall compensate AQW for the cost of such maintenance or repairs.

AQW has the right to scrap tools provided that the Customer does not object within two months from when AQW has informed the Customer in writing of its intention to do so.

10. PACKING, TRANSPORTATION, DELIVERY CLAUSE

The products shall be properly packed in accordance to instructions agreed with the Customer. Packing material is not included in product price and is debited separately.

Delivery condition is FCA (Free Carrier) AQW's warehouse in Lodz, Poland. (INCOTERMS 2000) if not otherwise agreed.

AQW will book transportation in accordance with the Customer's instruction.



11. PAYMENT CONDITIONS

AQW shall issue an invoice only after delivery has been made and the Customer shall make payment in accordance with agreed payment terms without further reminder.

If the Customer fails to pay within the prescribed period, AQW has a right to charge an interest on overdue payment payable in accordance with the stated payment terms from the due date.

Furthermore, AQW has the right to charge a reminder fee.

In the event of repeated delayed payments or a single substantial delayed payment, AQW has a right, at its own discretion, to either cease manufacturing and delivery until the payment has been made and satisfactory security has been given for payment for future deliveries or else give notice of cancellation of the agreement in writing with immediate effect. In the event of cancellation on these grounds, AQW is entitled to receive compensation for damage suffered in accordance with the relevant provisions contained in the rules on cancellation below.

12. PATENTS, PROTECTION OF DESIGNS ETC.

The party responsible for obtaining supporting documents for design and manufacture must hold the other party harmless from claims relating to infringement of patents, protection of designs or other intellectual property rights filed on the basis of the design of the product. The parties must inform each other immediately of any such claim.

13. VALIDITY PERIOD AND NOTICE OF TERMINATION

This document is valid as supply agreement and applies from date of order and is valid indefinitely if otherwise is not agreed. Notice of termination must be given in writing 12 months in advance.

14. TERMINATION



Either party has a right to terminate the agreement if the other party has repeatedly disregarded its obligations under the agreement and has failed to adopt measures to remedy the situation within 30 days from when it received a request to do so in writing. Either party also has a right to terminate the agreement without the aforesaid request in writing if the other party is guilty of serious breach of the agreement.

Either party has a right to immediately terminate the agreement if the other party suspends payments or if there is otherwise a well-founded reason to presume that it has become insolvent. Nevertheless, no right to cancel the agreement on these grounds exists if the other party immediately gives security for the fulfilment of its obligations.

If the agreement is terminated on the grounds of a contractual breach by the Customer, AQW has a right to receive compensation for any damage suffered.