

Warranty Agreement

between

acting concurrently for and on behalf of the other companies in its group listed in

Appendix A

(each on its own and also jointly hereinafter called the "supplier")

and

Camaco/Amvian (plant location)

acting concurrently for itself and as an agent for all companies in the CAMACO/AMVIAN
group listed in

Appendix B

(each on its own and also jointly hereinafter called
"CAMACO/AMVIAN")

("supplier" and "CAMACO/AMVIAN" hereinafter jointly called the "parties")

I. Introduction

§ 1

Subject matter of the contract

- (1) The subject matter of this contract is the liability for defects for all products (hereinafter "**products**") that the supplier delivers to CAMACO/AMVIAN for subsequent delivery (before or after processing) to the automobile manufacturer Volkswagen AG, its group companies. The supplier's attention is drawn to the fact that if the products are processed, the defectiveness of a product from the supplier may require other components or an entire product group to be replaced (plus high disassembly and assembly costs).
- (2) Unless otherwise arranged for in this contract, the current version of the terms of the respective basic contract, the Quality Assurance Agreement, the Supplier Requirement Manual and the CAMACO/AMVIAN General Conditions of Purchase shall also apply. The CAMACO/AMVIAN General Conditions of Purchase are under www.camacolc.com.
- (3) Should this contract contain provisions that contradict other existing contracts of indemnity between CAMACO/AMVIAN and a company of the supplier group, the provisions of the contract on hand shall prevail. The contract applies to any products supplied as of the date of the contract being signed and to any products supplied for projects [] as of the time their supply begins.
- (4) The General Standard Terms and Conditions of the supplier do not apply. This also applies if the terms and conditions of the supplier are not explicitly contradicted in individual cases or deliveries are accepted without reservation where there is knowledge of such terms and conditions.

§ 2

Principles

- (1) The supplier is aware that CAMACO/AMVIAN is not the end customer for the supplier's products, but that CAMACO/AMVIAN is purchasing such for further processing and/or delivery to the OEM.
- (2) The object of this contract is for the supplier to take responsibility for the quality of its products itself and for CAMACO/AMVIAN not to have to answer, for example, to its customers for defects in the supplier's products without having recourse to the supplier. Moreover, CAMACO/AMVIAN is not to be burdened with costs of its own due to defects in the supplier's products.
- (3) To this effect, the parties agree that the supplier is, should the supplier's products prove to be defective, to indemnify CAMACO/AMVIAN to the extent that CAMACO/AMVIAN

is in the same position it would have been in had the supplier delivered flawless products.

II. General Principles of the Supplier's Liability for Defects

§ 3

Content of the liability for defects, inspections and tests

(1) The supplier is responsible for the flawlessness of all products supplied. In particular, the products are to display no constructional, material, machining or software flaws, they must correspond to the agreed specifications and have all the characteristic features agreed upon or necessary for the intended use. The supplier is also to be responsible for legal imperfections in title. Irrespective of the above provisions, the supplier will endeavour to reduce such deficiencies on an ongoing basis.

The adherence to test regulations and specifications as well as to any clearances/approvals issued by CAMACO/AMVIAN does not absolve the supplier from his obligation to supply flawless products.

(2) CAMACO/AMVIAN shall inspect the deliveries received as regards identity, quantity and any externally visible damage in transit. CAMACO/AMVIAN shall report any patent, apparent defects in the deliveries immediately in writing or by e-mail. Inasmuch the supplier waives being able to object to late notice of defects.

(3) The supplier is to examine the cause of any defects complained of in products it has supplied. The contracting parties are to agree on the extent and depth of the inspection and on the measures required to prevent the manufacture of defective products in the future ("**Remedial Measures**"). If no agreement can be reached, CAMACO/AMVIAN will determine such measures at its reasonable discretion and taking into account the interests of the supplier and the specifications of the OEM for remedying defects. CAMACO/AMVIAN is to be notified of the inspection results without delay. The supplier shall provide a detailed written account of possible remedial measures if CAMACO/AMVIAN so demands. The supplier shall, at regular intervals, check the effectiveness of any remedial measures in the course of their being carried out and provide CAMACO/AMVIAN with reports of such. If the supplier is not prepared or able to carry out its own inspections, CAMACO/AMVIAN may carry out the inspections itself or arrange for them to be carried out, both at the supplier's expense.

(4) Any further legal or contractual claims and rights CAMACO/AMVIAN has vis-à-vis the supplier, in particular claims for damages, remain unaffected. The supplier must provide compensation in full for any damage caused by default.

(5) Warranty claims are processed and settled between the parties or between the affiliated companies named by the parties.

- (6) The supplier is only entitled to right of set-off and right of retention if its counterclaims are established finally and absolutely, undisputed and approved by CAMACO/AMVIAN.
- (7) The provisions of Section III. "Liability for Defects for Products at CAMACO/AMVIAN" (hereinafter also "BEFORE-OEM" deficiencies) in this contract also apply to the supplier's liability for product defects insofar as the parts have not or not yet been delivered to the OEM by CAMACO/AMVIAN. The provisions of Section IV. "Liability for Defects for Products at the OEM" also apply to the liability for defects on products already delivered to the OEM by CAMACO/AMVIAN.

III. Liability for Defects for Products at CAMACO/AMVIAN

§ 4

Liability for "zero-kilometer" deficiencies

(1) BEFORE-OEM deficiencies are product defects that are determined in the course of the entire system component production process at CAMACO/AMVIAN or before delivery to the OEM, particularly

- when goods are received,
- when semi-finished goods are further processed or
- on the belt or during functional testing.

(2) In the event of BEFORE-OEM deficiencies CAMACO/AMVIAN shall first give the supplier the opportunity to remedy the defects or supply flawless products. § 439 BGB remains unaffected.

(3) In the event of the supplier providing a replacement for a defective product the parties can agree to settle the account in such a way that the supplier gives CAMACO/AMVIAN a credit note for the defective part and invoices CAMACO/AMVIAN for the replacement part, the price of which is based on the price of the defective part.

(4) Should it be unacceptable for CAMACO/AMVIAN to have the supplier remedy the defect or replace the product in accordance with subsection (2) or should the supplier be unable to do such, should supplementary performance fail or should the supplier reject both types of supplementary performance, CAMACO/AMVIAN has the right

- to remedy the defect itself or have it remedied by third parties, both at the supplier's expense,
- to reduce the purchase price,
- or to withdraw from purchasing the defective part and return the part at the supplier's expense. The withdrawal from purchasing the defective part does not release the supplier from its obligation to ensure that CAMACO/AMVIAN is supplied

with flawless products on the basis of the existing supply agreements. If similar products are again delivered in a defective state, CAMACO/AMVIAN has the right to withdraw from the order concerned or rescind the purchase contract concerned entirely, that is to say also in respect of products not yet delivered provided that the supplier again delivers defective products after being notified in writing accordingly.

The supplier is aware that the parts delivered to CAMACO/AMVIAN are required for just-in- time or just-in-sequence supply to the OEM. For this reason, unacceptability for CAMACO/AMVIAN within the meaning of § 440 BGB exists particularly if supplementary performance by the supplier would jeopardize the due and on schedule supply to an OEM. CAMACO/AMVIAN will listen to the supplier's case before exercising its rights in accordance with this subsection (4).

(5) In the event of one of the rights under subsection (4) being exercised, CAMACO/AMVIAN shall provide the supplier with an itemized account showing the costs to be reimbursed. These costs include the costs of returning the defective products, scrapping costs, costs of processing the damage and sorting costs etc. The applicable hourly rates and account settlement modes are listed in **Appendix C** and apply to any projects unless separate hourly rates and expenses have been agreed upon in individual cases with the supplier.

(6) Costs of return/scrapping: this subsection (6) determines the amount of the costs to be reimbursed by the supplier for a product return by CAMACO/AMVIAN. The supplier has the option of proving that CAMACO/AMVIAN incurred no or fewer costs.

- a) Return costs or scrapping costs if the production sites of CAMACO/AMVIAN and the supplier are on the same continent:

In the event of the products that have been complained about being returned or scrapped, the following flat-rate costs are to be reimbursed:

100 % of the purchase price applicable at the time

1 % packing flat rate for the part

2 % freight flat rate for the part

103 % of the purchase price applicable at the time, corresponds to a flat-rate factor of 1.03

CAMACO/AMVIAN is only to scrap products it has complained about after consulting the supplier. In this case the contractor will be charged the costs of scrapping in addition to the aforesaid flat rates.

In the case of an unjustified complaint the consequential charges listed in the itemized account will be cancelled and thus credited to the supplier.

- b) Return costs or scrapping costs if the production sites of CAMACO/AMVIAN and the supplier are on different continents:

In the event of products delivered from overseas to the USA or Europe being complained about and returned or scrapped, the following flat-rate costs are to be reimbursed:

100 % of the purchase price applicable at the time
+20 % account settlement, packing and freight costs for the part
120 % of the purchase price applicable at the time, corresponds to a flat-rate factor of 1.20

In the event of CKD products that have been complained about in South Africa, Egypt*, Brazil*, Indonesia*, Malaysia*, Mexico*, Philippines*, Russia*, Thailand*, Vietnam*, and other CKD markets* to be opened up in the future being returned or scrapped, the following flat-rate costs are to be reimbursed:

100 % of the purchase price applicable at the time
+110 % account settlement, packing and freight costs for the part
210 % of the purchase price applicable at the time, corresponds to a flat-rate factor of 2.10

CAMACO/AMVIAN is only to scrap products it has complained about after consulting the supplier. In this case the contractor will be charged the costs of scrapping in addition to the aforesaid flat rates.

If CAMACO/AMVIAN finds products defective in the countries marked with a "*", the contractor shall waive the right to receive these products for inspection.

In the case of an unjustified complaint the consequential charges listed in the itemized account will be cancelled and thus credited to the supplier.

(7) In addition to the obligations mentioned in subsections 2 to 6, the supplier is to reimburse CAMACO/AMVIAN any in-house costs it incurs or any costs it incurs as a result of charging a third party with tasks in connection with processing the complaint and/or rectifying or minimizing the damage ("internal costs"). In the case of BEFORE-OEM deficiencies CAMACO/AMVIAN is entitled to demand flat-rate reimbursement of internal costs in the sum of 5% of the respective product price as well as the costs actually incurred as a result of charging third parties with tasks. The supplier reserves the right to prove that CAMACO/AMVIAN incurred no or fewer costs.

(8) In the event of other defects, i.e. those not due to a defective supply from the contractor (e.g. damage caused by CAMACO/AMVIAN), CAMACO/AMVIAN will send the products concerned back to the supplier for repair. In this case a flat rate for the repair costs, agreed between the parties before the products are returned, will be deducted from the value of the products concerned. The remaining value of the purchase price of the part will be invoiced to the supplier. The supplier shall repair the products and send them back to CAMACO/AMVIAN, invoicing the purchase price applicable at the time. Any repaired products are to be specially marked as such.

§ 5
Limitation of action

Warranty claims asserted by CAMACO/AMVIAN for BEFORE-OEM deficiencies become statute-barred 36 months after the date the product was delivered to CAMACO/AMVIAN or to the place stipulated by CAMACO/AMVIAN unless longer legal statutory periods of limitation apply.

IV. Liability for Defects for Products at the OEM

§ 6
Liability for defects for products at the OEM

(1) The following rules in this § 6 apply to the liability of the supplier for products delivered by CAMACO/AMVIAN (directly or after further processing) to the OEM.

(2) Contracts of indemnity exist between CAMACO/AMVIAN and OEM. Agreed between CAMACO/AMVIAN and OEM in particular was the validity of OEM

- quality management agreements between the Volkswagen group and its suppliers (Formel Q-konkret) and
- rules for transferring the burden of field and 0-km complaints caused by the supplier;
- terms of purchase for production material.

The currently valid agreements can be found on the Internet via the OEM supplier portal. The supplier declares that it has access to the OEM supplier portal and has taken note of the rules.

The supplier declares further that it has also noted the fact that the above rules are not complete and final; there are more rules for special subjects (e.g. environmental protection) and for group companies. On request, Camaco/Amvian will inform the supplier which rules available in the supplier portal for a certain project are applicable.

(3) The supplier undertakes to release CAMACO/AMVIAN from any claims of the OEM, to which an OEM is entitled contractually or legally vis-à-vis CAMACO/AMVIAN, if such claims are based on defects in the supplier's product (the "**OEM Warranty Claims**").

(4) The supplier undertakes to make good any loss and expense incurred by CAMACO/AMVIAN as a result of satisfying the claims of an OEM or providing defence against claims lodged by an OEM in connection with OEM warranty claims.

This particularly applies in the event that any possible contractual claims go beyond the legal claims of the OEM.

(5) Also applicable for the supplier's liability vis-à-vis CAMACO/AMVIAN in the case of OEM warranty claims are:

- a. the provisions of Section II. "Liability for Defects for Products at CAMACO/AMVIAN" correspondingly and,
- b. for products intended for delivery to OEM and insofar as there is further liability, the

provisions of the agreements mentioned in §6 (2) between OEM and CAMACO/AMVIAN and,

The supplier is aware which specific products CAMACO/AMVIAN intends to deliver to OEM and AUDI. The supplier is also aware that the provisions in §6 (2) of the agreements mentioned may, in particular, contain further time-limits for a liability for defects. CAMACO/AMVIAN will inform the supplier of these time-limits, on request. In any event, the warranty period is at least 36 months as of delivery to CAMACO/AMVIAN.

The supplier is also aware that the provisions in §6 (2) of the agreements mentioned also contain, in particular, special rules for the flat-rate settlement of warranty cases, without proof of the individual defectiveness of the individual part.

(6) In the case of OEM warranty claims CAMACO/AMVIAN is also entitled – to cover CAMACO/AMVIAN’s internal processing and settlement costs – to demand from the supplier a flat-rate reimbursement of 5% of the respective claim value of the OEM as well as the costs actually incurred for charging third parties with tasks. The supplier reserves the right to prove that CAMACO/AMVIAN incurred no or less loss. If only CAMACO/AMVIAN has incurred costs and expenses, the supplier is to reimburse these pursuant to and particularly in accordance with **Appendix C**. If separate expenses, hourly rates and account settlement modes have been agreed upon with the supplier for a specific project, they shall be used. For clarification: CAMACO/AMVIAN can only demand the flat rate according to either subsection (7) or according to §4 (7).

(7) If CAMACO/AMVIAN is obligated vis-à-vis the OEM to meet other obligations (particularly test, inspection and remedy obligations) due to an OEM warranty claim, the supplier is obligated so vis-à-vis CAMACO/AMVIAN to meet the corresponding obligations.

(8) The supplier is not entitled to assert any rights, raise any objections or enter any pleas vis-à-vis CAMACO/AMVIAN (particularly limitation of action) if no rights, objections or pleas of a similar nature or based on the same reason exist between the OEM and CAMACO/AMVIAN or cannot be asserted, raised or entered by CAMACO/AMVIAN or the assertion, raising or entering of such is unacceptable for CAMACO/AMVIAN. CAMACO/AMVIAN is obligated to assert any possible and reasonable rights, raise any possible and reasonable objections and enter any possible and reasonable pleas.

(9) The provisions of this §6 also apply in the event that by contract or by law, the OEM is granted unilateral rights of determining performance.

(10) Insofar as possible, CAMACO/AMVIAN will include the supplier in decision-making processes with the OEM as regards OEM warranty claims and listen to its opinion.

(11) The supplier is obligated to participate in discussions and negotiations with an OEM and contribute to such at the request of CAMACO/AMVIAN.

V. Miscellaneous

§ 7

Change in contract

(1) In the event that the basis of this contract changes within the meaning of §1 and §2 the parties undertake to make allowance for the changes in the basis of the contract by changing this contract of indemnity.

(2) Should the contracts of indemnity mentioned in Section III. between CAMACO/AMVIAN and the OEM change, the provisions of the changed or new warranty agreement between

CAMACO/AMVIAN and the OEM shall replace the warranty provisions currently in existence. CAMACO/AMVIAN will inform the supplier immediately when provisions are changed, whereupon the supplier shall call up the changed provisions via the OEM supplier portal.

(3) With the exception of the changes described in subsection (2) the parties agree that any other changes – including waiving the written form requirement – must be made in writing. The written form requirement is complied with by sending a letter or fax, but not by sending information electronically.

§ 8 Secrecy

The supplier undertakes to keep secret the content of this warranty agreement, including all appendices and any changes and supplements. Sentence 1 does not apply if the disclosure is necessary due to legal obligations or the disclosure is made to persons who are sworn to secrecy due to their professional obligations. Sub-suppliers of the supplier are to be sworn to secrecy accordingly.

§ 9 Other agreements

(1) Should any provision in this contract be invalid, this shall not affect the validity of the remaining provisions. The parties will substitute the invalid or unfeasible provision with a provision that comes as close as possible to the meaning and purpose of the invalid provision in a manner that is legally and economically permissible.

(2) This contract and any claims arising from it are subject completely to the law of the CAMACO/AMVIAN plant location, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

(3) The place of jurisdiction for any disputes arising from this contract and for any judicial hearings in this respect is Frankfurt am Main, Germany. CAMACO/AMVIAN is also entitled to make a claim on the supplier at its residual jurisdiction.

(4) If a claim for indemnification is made on one of the parties abroad asserting that personal injury and/or damage to property has been caused by a product defect (product liability claim), this party can, if it wishes, also file a counterclaim against the other party at the place of jurisdiction of the main claim, institute third party notice proceedings or assert the right of indemnity and complete or partial recourse.

Camaco/Amvian

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Place, Date

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Place, Date

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Place, Date

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Purchasing Director

Supplier Quality Manager

SPM Buyer

For the supplier

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Place, Date

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Place, Date

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Signature Supplier

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Signature Supplier