



GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY





1. Validity

(1) Offers, deliveries and performances by Valeo Thermal Commercial Vehicles Germany GmbH, Gilching, or any associated companies as per §§ 15 ff of the German Company Law (Aktiengesetz) (hereinafter uniformly referred to as "Valeo") shall be made exclusively on the basis of these General Terms and Conditions of Sale and Delivery. These Terms and Conditions shall also apply to all future business relations, even if their application is not expressly agreed upon. These conditions are deemed to be accepted at the latest upon acceptance of the delivery of goods and performances. General terms and conditions of the Buyer only apply as long as they are consistent with these Terms and Conditions of Sale and Delivery. Deviating terms and conditions of the Buyer do not apply, even in the case where Valeo does not expressly object to these.

(2) Terms and conditions deviating from these General Terms and Conditions of Sale and Delivery will only apply if Valeo has given its written consent.

2. Offer and conclusion of a Contract

(1) Offers submitted by Valeo are subject to change without notice unless Valeo expressly indicates in writing that they are binding. Notices of acceptance as well as orders are not effective until confirmed by Valeo in writing. The same applies to amendments and additions to an order.

(2) Drawings, illustrations, measurements, weights and other performances are only binding if this is expressly agreed upon in writing by the parties.

3. Prices

(1) Unless otherwise agreed, Valeo abides by the offered prices within 30 days from the date of the respective offer. The prices which are quoted in the price list as amended from time to time shall be decisive.

(2) Prices are ex works, if not agreed otherwise. Costs of delivery by a carrier chosen by Valeo, including packaging, will be paid by the buyer. If the parties agree upon the return of the packaging, the Buyer has to return it to the supplier. Until the return of the packaging, the Buyer is liable for accidental loss or deterioration of the packaging.

4. Passing of risk

The risk passes to the Buyer at the latest with delivery of the goods to the forwarding agent or any other persons carrying out transportation. The risk also passes to the Buyer if, at the Buyer's request, goods are stored by Valeo.



5. Warranty and liability

(1) As far as delivery has been executed in business dealings, the Buyer is obligated to inspect the delivered goods immediately upon receipt. The Buyer shall give written notice of any defects in quality and in quantity not later than 8 days after receipt of the goods. Any defects that cannot be detected within such period, even upon careful examination, shall be reported to Valeo in writing immediately upon their discovery, in any case within the limitation period.

(2) To the extent that a defect of the goods is present, Valeo shall, at its option, be obliged and entitled to subsequent performance or substitute delivery of defective parts free of charge. The return of the defective goods has to be made carriage free. In case of any defect, Valeo has to pay the costs of the cheapest return to the Buyer. If subsequent performance or substitute delivery fails twice for reasons the Buyer is not responsible, the Buyer shall be able to demand rescission of the contract or reduction of the purchase price subject to the requirements of the legal provisions. Subsequent performance or substitute delivery is carried out without acknowledgment of any legal obligation and does not interrupt the limitation period for claims of defects.

(3) The warranty period for claims based on defects for Valeo heating and rooftop air-conditioning systems as well as Valeo spares for these systems shall be 24 months. The warranty period starts with the day of installation of the goods and the initial registration of the vehicle in which the initial installation is made, respectively. The warranty period ends at the latest 36 months after delivery of the goods.

(4) When giving notice of a claim based on defects, the warranty card of the service station of installation has to be completed and sent back to Valeo along with the rejected goods. Furthermore, a copy of the warranty card (control card) has to be sent back to Valeo immediately after installation. At Valeo's discretion, irrespective of these warranty conditions and without the acknowledgment of a legal obligation, Valeo may pay for installation and removal costs within Valeo's standard time. Payment of these costs requires that installation or removal has been carried out by Valeo or a service station accepted by Valeo.

(5) Any liability for damages caused by wear and tear is excluded, unless they can be attributed to the negligence of Valeo. This applies in particular for glow igniters, temperature fuses or their fuse links, carbon brushes, inappropriate or incorrect usage, incorrect storage, non-compliance with installation and operating instructions, incorrect or careless treatment, inappropriate resources, climatic or any other impacts. Liability is excluded for defects that have been caused by constructional faults or by the choice of inappropriate material, in the case where the Buyer, despite Valeo's previous advice, has specified the construction or the material.

(6) Subject to the provisions in paragraph 6, any further claims based on defect are excluded.

(7) A guarantee shall only be considered to have been granted if declared explicitly and in writing.



6. Limitation of liability

- (1) Valeo is liable for damages, irrespective of their legal basis, –if:
 - a) Valeo negligently or wilfully breaches an essential contractual obligation (cardinal obligation); or
 - b) Valeo caused damages grossly negligently or wilfully; or
 - c) Valeo has given a guarantee.
- (2) In the following cases, Valeo's liability is limited to typical, foreseeable damages:
 - a) In case of a breach of an essential contractual obligation (cardinal obligations), which has not been caused grossly negligently or intentionally;
 - b) In case of a breach of any other duties by employees or any other representatives of Valeo who do not represent an organ of Valeo and are not an executive employee of Valeo; and
 - c) In case a guarantee has been given, insofar as there has not been given a guarantee as to quality and characteristics of material (Beschaffenheitsgarantie).
- (3) In cases of paragraph 6.2, Valeo is not liable for any collateral damages, consequential damages and loss of profit.
- (4) Valeo's liability according to German product liability law for the injury of life, body and health, as well as for fraudulent concealment of a defect, or a guarantee by Valeo as to quality and characteristics of material, will remain unaffected.
- (5) Paragraphs 6.1 to 6.4 are also valid if goods are only described by category.
- (6) Paragraphs 6.1 to 6.5 are also valid for any claims for damages by the Buyer against employees or other representatives of Valeo.

7. Delivery time

- (1) In order to be legally binding, the agreement of delivery dates and delivery terms must be made in writing. If the delivery is delayed due to reasons for which the Buyer is responsible or due to any other reasons beyond Valeo's control, the agreed delivery time or the agreed delivery date shall be extended accordingly.
- (2) Delivery dates are considered to be observed if, prior to expiration of the delivery term, goods have left the factory.
- (3) In the event of default for late delivery, after the expiration of an adequate grace period of at least two weeks, the Buyer is entitled to rescind the contract and to demand repayment of any prepayment.



8. Retention of title

(1) The goods delivered by Valeo shall remain under the ownership of Valeo until the fulfilment of all claims to which Valeo is entitled to vis-à-vis the Buyer.

(2) If Valeo's ownership expires due to combination, commingling or processing, the Buyer transfers to Valeo upon signing of the respective delivery contract all claims for return against third parties as well as his or her rights of (co-)ownership with regard to the manufactured goods. The Buyer shall keep Valeo's ownership in safe custody with professional diligence.

(3) The Buyer is not entitled to pledge goods subject to the above retention of title to a third party nor to assign them as security. The Buyer may resell goods subject to the retention of title, only in the course of his or her regular business, if the Buyer arranges with his or her customers for a reservation of title. The Buyer hereby already assigns to the Seller by way of security to the full extent all claims resulting from the resale or any other legal reason with regard to the goods subject to the retention of title. Also after the assignment, the Buyer is, subject to revocation, entitled to collect the claim himself or herself. Valeo will only revoke this entitlement if the Buyer does not fulfil his or her payment obligations.

(4) If third parties have access to the goods subject to retention of title, the Buyer will point out that these goods are in the ownership of Valeo and inform Valeo immediately. The Buyer shall pay for costs and damages incurred in connection thereof.

(5) If the Buyer acts contrary to the terms of the agreement, in particular in the event of a suspension of payment or an application for opening of insolvency proceedings, Valeo is entitled to take back the goods subject to retention of title or mark them and, for these purposes, to enter the Buyer's premises.

(6) If the value of the securities exceeds Valeo's claims by more than 20%, Valeo shall, upon the Buyer's request, release collateral of Valeo's choice.

9. Terms of payment

(1) Unless otherwise agreed, invoices of Valeo have to be paid at the latest within 30 days of the invoice date and delivery. Without any further demand for payment the Buyer is in default of payment. In the event of default for late payment, Valeo is entitled to interest of 8 percentage points above the respective base interest rate of the German Federal Bank (§ 247 of the German Civil Code). In the case where Valeo accepts any cheques or bills of exchange, Valeo will only accept them on account of performance. Even if it accepted cheques and bills of exchange, Valeo reserves its right to return them and demand immediate payment or other securities in case there is a risk that they do not provide sufficient security. Discount and bill charges shall be borne by the Buyer and are immediately due.

(2) If Valeo becomes aware of circumstances which suggest that the Buyer's financial situation has deteriorated considerably after conclusion of the contract, particularly if the Buyer fails to pay invoices due for payment, and if, therefore, payment claims by Valeo appear to be at risk, Valeo is entitled to execute deliveries exclusively against immediate full or partial payment or against the



provision of a security. In case of insolvency or the Buyer's inability to pay, Valeo is entitled to rescind all contracts.

(3) The Buyer is only entitled to a set-off in cases where the Buyer's claims are undisputed or legally confirmed.

10. Special conditions for prototypes, test models, pilot constructions and similar components

For prototypes, test models, pilot constructions and similar components (hereinafter collectively referred to as prototypes), the following restrictions and/or conditions shall apply: Prototypes shall in principle be for the development, -demonstration, pretesting and similar processes. The specification of such prototypes can deviate from planned development targets and/or final production components. In particular, this may apply to the compliance with safety and certification requirements of any kind. These prototypes are therefore not suitable in any way for normal production use. Hence, Valeo shall assume no liability whatsoever insofar. In the case of orders for development which also include components for serial production, any order of such components for serial production shall be deemed as acceptance of the respective prototypes.

11. Final conclusions

(1) If the Buyer is a corporation, limited liability company, commercial partnership or otherwise operates a commercial business (Kaufmann within the meaning of § 1 (1) of the German Commercial Code (Handelsgesetzbuch), the place for fulfilment of obligations shall be the registered office of Valeo which also determines the legal venue.

(2) These General Terms and Conditions are governed by the laws of the Federal Republic of Germany. The application of the UN Convention on the International Sale of Goods (CISG) shall be excluded.

(3) In the event that a provision of these General Terms and Conditions is or becomes invalid, the remaining provisions will continue in full force and effect.

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