

General Conditions of Sale and Delivery of Schaeffler (Singapore) Pte. Ltd.

Definitions

In these General Conditions of Sale and Delivery:

Company means Schaeffler (Singapore) Pte. Ltd., a company incorporated in Singapore.

Contract means any contract for the sale and purchase of the Goods made between the Company and the Purchaser, being any order of the Purchaser via fax or e-mail and as agreed by the Company via an Order Confirmation.

General Conditions of Sale and Delivery means the standard terms and conditions of sale set out in this document and (unless the context otherwise requires) includes any special terms of and conditions to a Contract agreed in writing between the Purchaser and the Company.

Goods means any goods and/or services (including any instalment thereof or any parts for such goods) which the Company is to supply to the Purchaser in accordance with the terms of the Contract.

Incoterms means the international rules for the interpretation of trade terms published by the International Chamber of Commerce as in force at the date when the Contract is made, as amended from time to time. Unless the context otherwise requires, any term or expression which is defined in or given a particular meaning by the provisions of Incoterms shall have the same meaning in these Conditions but, if there is any conflict between the provisions of Incoterms and these Conditions, the latter shall prevail.

Order Confirmation means a confirmation in writing by the Company confirming the acceptance of an order placed by the Purchaser.

Purchaser means the person who accepts a quotation from the Company for the sale of the Goods or whose order for the Goods is accepted by the Company.

1. OFFER AND ACCEPTANCE / WRITTEN FORM

1.1. These General Conditions of Sale and Delivery shall be incorporated into each Contract. These General Conditions of Sale and Delivery cannot be varied or waived except with the expressed written agreement of the Company. For the avoidance of doubt, the Contract as well as any changes, ancillary agreements and other agreements relating thereto shall not become binding on the Company unless and until it is expressly agreed to in writing.

1.2. The Purchaser accepts these General Conditions of Sale and Delivery at the time of receipt of our written confirmation or the written acceptance of the ordered Goods, whichever is earlier. The Company is not bound by general terms and conditions of the Purchaser that differ from these General Conditions of Sale and Delivery. Such deviating terms and conditions do not become part of the Contract, either by acceptance of the order or implicitly by another act.

1.3. The Purchaser expressly approves the utilization of its records and data by the Company, its subsidiaries and affiliates, such data to include but not limited to data connected with the Company's business transactions concerning the Purchaser.

2. QUOTATIONS/ PRICES / PROCESSING FEES

2.1. The Company's quotations whether oral or written, are approximates only and shall be deemed to be an invitation to treat and not an offer. Any quotation from the Company is subject to any changes contained in the Order Confirmation. For the avoidance of doubt, the Company is not bound by any quotation, whether or not the same is accepted by the Purchaser unless and until such quotation is followed by the issuance of an Order Confirmation issued by an authorised representative of the Company. Quoted prices and delivery periods are subject to price lists, production and sub-contract situation in effect at the relevant time. The right is reserved by the Company to correct any clerical or typographical error or omission.

2.2. The Purchaser shall be solely responsible for ensuring the terms of any order including any information and specifications supplied and material furnished by the Purchaser. Illustrations, information (especially information concerning weights and measures), technical data or any industrial standards and designs contained in the Company's price lists, leaflets, cost forecasting statements and/or quotations are not representations of quality nor are they binding on the Company unless expressly agreed by the Company in writing.

2.3. Prices that are quoted to the Purchaser are based on prevailing prices at the time of the quotation. However the applicable prices payable by the Purchaser in respect of the Goods shall be the prices at the time of shipment.

2.4. The Company has the right to invoice an additional processing fee for an order if quantities ordered by the Purchaser do not reach the minimum quantities and/or minimum order value as contained in the relevant price list.

2.5. The Company reserves the right to increase the price for the Goods to reflect any increase in the cost to the Company such as, without limitation, any increase in labour cost, supplier prices for materials, increase in tariffs, taxes or freight rates and/or foreign exchange fluctuations, currency regulation, any change in delivery dates, quantities or specification for the Goods which is requested by the Purchaser, or any delay caused by any instruction of the Purchaser or failure of the Purchaser to give the Company adequate information of instructions.

3. DELIVERY TIMES / DEFAULT / SCHEDULE TRANSACTIONS

3.1. Delivery periods begin to run the later of (i) confirmation of the order via the issuance of an Order Confirmation; or (ii) final agreement in writing between the parties regarding all matters that had to be decided prior to start of production. For the avoidance of doubt, any dates quoted for delivery are based on normal expectancy and are approximates only and subject to the receipt by the Company of all information and data necessary for the Company's fulfilment of the order in question. Delivery of all or any part of this Contract is subject to the Company's ability to get supplies and raw materials from the Company's usual sources. Time of delivery shall not be the essence of this Contract and failure to deliver by the specified date will not be a sufficient reason for unilateral cancellation by the Purchaser.

3.2. The Company shall be excused from the performance of any of its obligations if and in so far as, and for so long as, such performance is delayed or prevented by circumstances beyond the Company's reasonable control including but not limited to inability to making shipping arrangements or effecting deliveries or services, shortage of vessels or any other means of transportation, fuels, materials or labour, strikes, lock-outs or labour disputes of any kind (whether relating to our own employees or others), fire, flood, explosion, natural catastrophe, military operations, blockade, sabotage, revolution, riot, civil commotion, war or civil war. Liability may be further limited by the requirements or regulations of the Government of the Republic of Singapore or by our acceptance of government Contracts.

3.3. If the Company fails to deliver Goods ordered by the Purchaser for reasons other than any cause beyond the reasonable control of the Company or due to the Purchaser's fault, and the Company is accordingly liable to the Purchaser, the Purchaser can elect to either:-

- (a) cancel the Contract in which case the Purchaser shall not be entitled to claim for any costs an/or damages whatsoever; or
- (b) claim (to the exclusion of any other remedies) liquidated damages calculated at the rate of 0.5 percent (0.5%) of the purchase price of the particular item for each complete week of delay, subject always that the Company's liability shall be limited to such claims for liquidated damages not exceeding a maximum of five (5) percent (5%) of the purchase price of the said item.

3.4. The parties hereby agree that clauses 3.3 (a) and (b) are mutually exclusive and constitute the only remedy available to the Purchaser in respect of failure to deliver Goods ordered by the Purchaser.

3.5. To the extent that the Company has agreed with a Purchaser that a particular delivery volume will 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 the Company of the desired delivery date not less than twelve (12) weeks prior to such date. After the Agreed Period has expired, the Company may invoice the Purchaser for any volume of products with respect to which delivery has not been requested and deliver such products.

3.6. Partial deliveries of the Goods are permissible and where Goods are delivered in instalments, each delivery shall constitute a separate Contract and failure by the Company to deliver any one or more of the instalments in accordance with these General Conditions of Sale and Delivery or any claim by the Purchaser in respect of any one or more instalments shall not entitle the Purchaser to treat the Contract as a whole as repudiated.

4. PACKAGING / SHIPPING / TRANSFER OF RISK

4.1. Delivery is EXW (Ex Works, Incoterms 2000) from a location designated by the Company or agreed by both parties in a separate agreement. The method of packaging and the packaging material will be determined by the Company in the Company's sole discretion. The Company shall be under no obligation to give notice under Section 32(3) of the Sale of Goods Act (Chapter 393). Special express services such as airfreight, airmail, airparcel, courier, etc. are also on an EXW (Ex Works, Incoterms 2000) basis and all consequential charges are on Purchaser's account. If specific shipping instructions are not shown on the purchase order, the routing and selection of carrier for the Goods will be at the sole discretion of the Company's Shipping Department.

4.2. If a shipment is delayed or where the period of delivery is extended at the request of the Purchaser or due to the Purchaser's request for a specific means of transport, the risk of damage to or loss of the Goods shall pass to the Purchaser at the time the Goods are available for shipment. The Company is entitled to charge the Purchaser for all costs relating to the storage of such shipment at the minimum rate of 0.5 percent (0.5%) of the invoice value for each month that the shipment or period of delivery is delayed beginning from the date of the invoice.

4.3. Upon the expiry of such period of extension, the Company may at its sole discretion, dispose of all Goods in storage and forthwith, without prejudice to other rights, elect to:-

- (a) cancel or determine any order subsisting; or
- (b) suspend further deliveries under this Contract; or
- (c) cancel further deliveries under this Contract; or
- (d) arrange for the delivery of a new consignment of Goods to the Purchaser within a further delivery period as extended by the Company.

4.4. Pallettes, containers, and other reusable packaging remains the property of the Company and must be returned by the Purchaser to the Company's delivery centre without undue delay and at no costs to the Company. The Company will invoice disposable packaging at cost and will not take back such packaging.

4.5. The Purchaser is responsible for additional costs for express shipping and for the mailing costs for small item deliveries.

5. PAYMENT

5.1. Payment must be made without deductions to one of the Company's bank accounts within the period for payment as stated in the invoice.

5.2. The Purchaser hereby waives any cross claim against any payment due and covenants not to withhold payment or any part thereof on the date due for payment.

5.3. Where payment is not made on the date due or where it becomes known to the Company that the financial situation of the Purchaser has deteriorated considerably, the Company may without prejudice to its rights to terminate the Contract pursuant to clause 11 below and notwithstanding any other claims, demand a prepayment or demand that the Purchaser provide such form(s) of security as required and to the satisfaction of the Company, prior to any delivery.

5.4. If any sums are unpaid by the Purchaser after the due date then, without prejudice to any other right or remedy available to the Company, the Company shall be entitled:

(a) to charge the Purchaser interest (both before and after judgement) on the amount unpaid, at the rate of 1.5 percent (1.5%) per month from the date when payment is due until the actual date of payment; and

(b) if such sums remain unpaid within fourteen (14) days of the Company calling upon the Purchaser to remedy its failure to pay, to terminate the Contract or suspend any further deliveries to the Purchaser under clause 11.

5.5. The Purchaser agrees that any outstanding debts shall be cleared in the order of when such debts first accrue. The Company shall have the sole and absolute right to apply set off in respect of any payments made by the Purchaser against any sums owing to the Company in relation to any outstanding invoices.

6. RETENTION OF TITLE

6.1. Notwithstanding delivery and the passing of risk in the Goods, or any other provision in these General Conditions of Sale and Delivery, the property in and legal title to the Goods shall not pass to the Purchaser until the Company has received in cash or cleared funds payment in full of all amounts due and owing from the Purchaser to the Company (including but not limited to any interest accruing and owing to the Company).

6.2. Until such time as the property in the Goods passes to the Purchaser, the Purchaser shall hold the Goods as the Company's fiduciary agent and bailee and all times keep the Goods separate from those of the Purchaser and third parties and properly stored, protected and insured (in an amount which is not less than the price payable to the Company) and identified as the Company's property. The Company shall be entitled at any time, by our servants or agents and at the Purchaser's expense enter upon the Purchaser's premises to recover and dispose of the Goods and the Purchaser shall make no claim against the Company in respect of any such entry or disposal save to recover any balance due to the Purchaser after the Company has disposed of the Goods and recouped all sums due and owing from the Purchaser to the Company.

6.3. The Purchaser may in the ordinary course of business mix the Goods with other objects or convert the Goods into other objects whether by the process of manufacture or otherwise and whether or not such mixture or conversion renders the Goods unidentifiable. In such event, the full legal and beneficial title and ownership of the mixture or the converted Goods (as the case may be) shall forthwith pass to the Company and remain with the Company from the moment of mixture or conversion until the Purchaser has paid any and all sums due to the Company. For the avoidance of doubt, clause 6.2 shall apply to any such mixture or converted Goods as if it or they were the Goods themselves.

6.4. The Purchaser may in the ordinary course of business sell or otherwise dispose of the Goods or any such mixture of converted Goods as aforesaid to a third party, but shall hold the proceeds of any such sale or disposal and any such rights or claims against third parties arising out of such sale or disposal in a fiduciary capacity for and to our the account until the Purchaser has paid all sums whatsoever due to the Company and the Purchaser shall take all steps necessary to keep such proceeds separate from other monies to pay over such proceeds to the Company and to transfer to the Company any such rights or claims to the extent necessary to discharge in full the Purchaser's indebtedness to the Company. The Purchaser's power of sale referred to in this clause 6.4 shall automatically cease upon the occurrence of any of the events referred to in clause 11.

6.5. Notwithstanding the above, it is hereby agreed that the Purchaser has no authority to enter into any Contract or condition or give any warranty or representation which may render the Company liable to any third party for breach of such Contract or condition or for inaccuracy of such warranty or representation or which may render the Company liable for Goods and Services Tax or any other tax or duty and insofar as any liability or charge as aforesaid may be incurred notwithstanding the foregoing it is hereby agreed that such liability or charge shall be incurred solely by the Purchaser as principal and the Purchaser shall and hereby agrees to indemnify the Company against any and all loss or damage suffered or occasioned or incurred by the Company in respect of such liability or charge.

6.6. The Purchaser is not entitled to pledge or in any way charge by way of security for any indebtedness any of the Goods which remain the property of the Company and must notify the Company without undue delay if the items subject to retention of title are attached or if our rights are adversely affected by third parties in any other way in which case all moneys owing by the Purchaser to the Company shall (without prejudice to any other right or remedy of the Company) forthwith become due and payable.

6.7. To the extent mandatory legal provisions of a relevant foreign country do not contemplate a retention of title within the meaning of this clause 6, but such country's legal system provides for other forms of security to secure payment claims for invoices by sellers, the Company hereby reserve such rights. The Purchaser is obligated to cooperate with the Company with respect to all actions

that may be reasonably requested to be undertaken in order to protect the Company's title in the Goods or the replacement rights with respect to the retained Goods.

7. INSPECTION BY THE PURCHASER

7.1. The Purchaser shall inspect the Goods immediately upon receipt or arrival thereof. Any request for correction due to non-conforming shipment must be made to the Company in writing within fourteen (14) days of the receipt of the Goods or the arrival thereof (whichever is earlier) PROVIDED ALWAYS that the Company shall not be liable for any loss of or damage to the Goods in the course of transport.

7.2. If the Purchaser shall fail to make the said request within the said period, the Goods shall be deemed to be in all respects, delivered in accordance with the Contract and the Purchaser shall be bound to accept and pay for the same accordingly.

7.3. Any Goods to be returned will not be accepted by the Company unless and until the Purchaser has received the prior written agreement from the Company.

8. WARRANTIES / LIMITATION OF LIABILITY

8.1. Save as hereinafter provided, the Company warrants that the Goods will be free from defects in materials and workmanship developing out of normal use for a period of twelve (12) months from the date of delivery subject to the following conditions:

(a) where any valid claim is made by the Purchaser, the Company's shall at its option elect to either repair, replace the defective Goods or issue a credit note and in all events, for such sums as to be determined by the Company in its absolute discretion, following which the Company shall have no further liability to the Purchaser in respect of such claim. For the avoidance of doubt, the Company is not liable for any transport, installation, removal, labour or other costs associated with defective Goods;

(b) the Goods alleged to be defective must be returned to the Company at the Purchaser's own risk and expense within twelve (12) months of delivery;

(c) the Company has the right to inspect the alleged defective Goods and ascertain whether there has been any actual defective in materials and workmanship to be conclusively determined by the Company acting as expert and not as arbitrator;

(d) the Company shall be under no liability in respect of any defect in the Goods arising from any illustration or design or specification supplied by the Purchaser;

(e) the Company shall be under no liability in respect of any defect arising from fair wear and tear, wilful damage, negligence, accident, alteration, overload, unsuitable lubricant, improper operation, installation, maintenance or storage, abnormal working conditions, failure to follow the Company's instructions (whether oral or in writing), misuse, alteration or repair of the Goods;

(f) the Company shall be under no liability if the total price for the Goods has not been paid by the due date for payment;

(g) the Purchaser shall be responsible for ensuring that the Goods are fit for the purpose for which it wishes to use them and the Company gives no warranty (and none shall be implied) that the Goods are fit for any particular purpose;

(h) the Company shall be under no liability for parts, materials or equipment not manufactured by the Company, in respect of which the Purchaser shall only be entitled to the benefit of any warranty or guarantee as is given by the manufacturer to the Company;

(i) samples of Goods show substance and general character only and the Company gives no warranty or representation (and none shall be implied) that the colour, size, thickness, shape or any other feature of the Goods supplied will correspond exactly with the sample;

(j) no attempt shall have been made by the Purchaser or by any third party to remedy any defect before;

(k) the Goods in question shall have been serviced and maintained properly and in accordance with the Company's recommendations and shall not have been fitted with any parts, components and/or accessories other than those manufactured or recommended by the Company;

(l) the Company shall not be liable for any defects in materials and workmanship where such defects are caused by the negligence, other than the wilful default, of the Company, its servants, agents, employees representatives or any of its professional personnel; and

(m) the Purchaser has no claim in case of general alterations in construction or design prior to delivery.

8.2. Where the goods delivered cannot be used by the Purchaser due to the Company's breach of any obligations for service and maintenance, the Company's liability is limited by the provisions set forth in clause 8.1 above. The Company will be liable for its consulting services only if there has been a separate written agreement on compensation for such services.

8.3. The Company shall not be held responsible for damage, illness, injury, disease, incapacity, death or loss of any kind whatsoever to any property or persons or animals howsoever caused arising from or attributable whether directly or indirectly the use of or otherwise in connection with the use of the Goods supplied or generally in connection with or arising out of the installation of the

Goods.

8.4. The Purchaser agrees to indemnify the Company against any and all claims made against, and all liability incurred by the Company under any law having effect within the jurisdiction where any of the Goods supplied by the Company is or may be used including, without limitation, each claim and liability arising or incurred which is attributable to the to the illustrations, plans and/or specifications furnished to the Company by the Purchaser.

8.5. Except as expressly provided in these General Conditions of Sale and Delivery, the Company shall not be liable to the Purchaser by reason of any representation, or any implied warranty, condition or other term, or any duty at common law, or under the express terms of the Contract, for any loss or damage (whether for loss of profit or otherwise), costs, expenses or other claims for compensation whatsoever (and whether caused by the negligence of the Company, its employees or agents or otherwise) which arise out of or in connection with the supply of the Goods or their use or resale by the Purchaser.

9. USE OF SOFTWARE

9.1. To the extent the scope of delivery includes software, the Company hereby grants 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.

9.2. The Purchaser may reproduce, revise, translate or modify from object code to source code the software only within the statutorily permitted scope. The Purchaser may not remove manufacturer information -- in particular copyright labels or notices -- or make any other modifications without our prior written express consent.

9.3. The Company reserves all other rights to the software and the accompanying documentation, including copies.

10. CONFIDENTIALITY

10.1. The parties will keep confidential all information received from the other party. This confidentiality provisions continues to apply after termination of the 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 obligated to keep such information confidential, or (iii) that is or becomes generally known without any breach of Contract by one of the parties.

10.2. 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 them available.

11. TERMINATION AND SUSPENSION

Company's right of termination

11.1. Without prejudice to any rights or remedies available to it under the Contract or otherwise, the Company shall be entitled, in its absolute discretion and upon giving to the Purchaser written notice of its intention to do so, to terminate the Contract wholly or in part or to withhold or vary performance of all or any of its obligations under the Contract and, if any Goods have been delivered but not paid for, the price for such Goods shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary, if any one or more of the following events occur:

(a) the Purchaser fails to observe or perform any of its obligations under this Contract and fails to remedy such breach (if remediable) within ten (10) working days of the Company's notice to do so;

(b) the Purchaser shall refuse to take delivery or collect any of the Goods in accordance with the terms of the Contract;

(c) an encumbrancer takes possession of, or a trustee or administrative or other receiver or similar officer is appointed in respect of, all or any material part of the business or assets of the Purchaser, or distress or any form of execution is levied or enforced upon or sued out against any such assets and is not discharged within seven (7) days of being levied, enforced or sued out;

(d) the Purchaser is deemed unable to pay its debts as they fall due or suspends or threaten to suspend making payments (whether of principal or interest) with respect to all or any class of its debts;

(e) the Purchaser convenes a meeting of its creditors or prepares or makes any arrangement or composition with, or any assignment for the benefit of, its creditors or a petition is presented or other steps are taken for making an administration order against or for winding up of the Purchaser (other than for the purposes of and following by a reconstruction previously approved in writing by the Company), unless during or following such reconstruction the Purchaser becomes or is declared to be insolvent;

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

(g) the Purchaser failing to make prepayment or give sufficient security as required by the Company pursuant to clause 5.3 above; or

(h) the Company reasonably determines that any of the events mentioned above is about to occur in relation to the Purchaser and notifies the Purchaser accordingly.

The Purchaser shall notify the Company forthwith of the happening of any of the events referred to in sub-paragraphs (a) to (g) (inclusive).

Exercise of termination and suspension rights

11.2. The Company shall be entitled to exercise its rights of termination or suspension under clause 11.1 at any time during which the event or default giving rise thereto shall not have ceased or been remedied. In the event of any such suspension, the Company shall be entitled to require, as a condition of resuming performance under the Contract, the prepayment by the Purchaser of, or the provision by the Purchaser of such security as it may stipulate, for the payment of any sum or sums due or to become due to it.

Credit limit exceeded

11.3. If any Purchaser shall exceed the credit limit agreed between it and the Company from time to time on any account, the Company shall have the right to suspend the performance of all or any of its obligations under the Contract. The Company shall be entitled to require, as a condition of resuming performance under the Contract, payment of such proportion of the sums or sum outstanding on any such account by the Purchaser or such further sums as the Company sees fit in its absolute discretion to bring the Purchaser back within its agreed credit limit.

Consequences of termination

11.4. On termination of the Contract for any reason:

- (a) the Company shall be discharged from any further liability to perform under the Contract;
- (b) the Purchaser shall pay the Company immediately for all Goods supplied by the Company to the Purchaser prior to termination; and
- (c) the Company is granted an irrevocable licence to enter the Purchaser's premises to recover the Goods or other materials which are the Company's property.

12. MISCELLANEOUS

12.1. This Contract shall be governed by and be construed in accordance with the laws of the Republic of Singapore and the Purchaser hereby agrees to submit to the non-exclusive jurisdiction of the Singapore courts.

12.2. The Purchaser shall not be entitled to assign its rights or transfer its obligations under the Contract, in whole or in part, without the prior written consent of the Company.

12.3. A person who is not a party to this Contract shall have no rights under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce any of its terms.

12.4. The failure to assert, in whole or in part, any rights from the delivery Contract or to assert such right belatedly shall not be construed as a waiver of this or any other right. No express or implied waiver by the Company shall be construed as a continuing waiver nor shall it prevent the Company from acting upon that or any subsequent breach or from enforcing any term or condition of the Contract.

12.5. If any term or condition or any part thereof of these General Conditions of Sale and Delivery is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in these General Conditions of Sale and Delivery but without invalidating any of the remaining provisions of these General Conditions of Sale and Delivery.

12.6. Where there is any dispute, controversy or claim arising out of or relating to the Contract and/or these General Conditions of Sale and Delivery, or the breach, termination or invalidity thereof, the Company may, at its sole and absolute discretion, elect for the matter(s) to be settled by arbitration in Singapore in accordance with Arbitration Rules of the Singapore International Arbitration Centre ("SIAC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this clause. The Tribunal shall consist of three (3) arbitrators to be appointed by the Chairman of the SIAC. The language to be used in the arbitration shall be in English.