



TRW Automotive Components Technical Service (Shanghai) Co. Ltd.

Standard Terms & Conditions of Sale

CONDITIONS OF SALE

1. Formation of "The Contract"

A. In these conditions the followings words have the following meanings:

'the Company' – TRW Automotive Components Technical Service (Shanghai) Co. Ltd.

'the Customer' – the person(s), firm or company who purchases the Goods from the Company

'the TRW Group' – TRW Inc and any company under the direct or indirect control of TRW Inc

'Goods' – any goods or services agreed to be supplied by the Company

'Company Documentation' – any quotation, or response to request for quotation or acceptance or acknowledgement of order or response to the Customer's order issued by or on behalf of the Company

'Contract Terms' – the terms and conditions set out below and any terms and conditions set out or identified in the Company Documentation.

B. The Contract Terms may be varied only by express agreement in writing by the Company

C. Where the Company supplies Goods under a blanket order received from the Customer, the blanket order and each release shall be subject to the Contract Terms;

D. The contract terms shall be governed by and construed in accordance with the law of the country in which the principal place of business of the Company is located.

2. Prices

Unless otherwise expressly stated in writing by the Company, orders are accepted on the basis that:

a. The price stated on the invoice is the ex-work net price without outer carton packaging of the goods and/or services (after deduction of any discounts) for delivery in accordance with the contract, and the stated price overrides all previous oral or written representations as to price;

b. The price is exclusive of Value Added Tax and any other impositions whatsoever, which shall be charged by the Company at the rate and in the manner prescribed by law from time to time and shall be paid by the Client in addition to the price;

c. The Company may without prior notice adjust the price stated to take account of any change in any

specification made at the request of the Client and agreed by the Company or any delay caused by any instructions of the Client or failure of the Client to give the Company adequate information or instructions; and

d. Prices are those ruling at the date of receipt of order (or call-off for supplies made to a blanket order).

3. Payment

Unless otherwise expressly stated in writing,

A. prices are due and payable to, and at such place and in such currency as may be designated by the Company, without set-off or counterclaim in immediately available funds based on agreed term.

B. On the Customer failing to make full payment when due the Company shall be entitled to: (i) require future payments in advance of delivery; or (ii) refuse to make delivery of any goods or services without incurring any liability to the Customer; or (iii) terminate the contract or any outstanding release; or (iv) charge (without prejudice to any other rights of the Company) interest on the amount due at 1 % per month or part thereon calculated from the date due for payment.

4. Delivery

A. The Company will endeavor to complete the contract or deliver the Goods within the time agreed (if any) and if no time is agreed, within a reasonable time, and in the quantities agreed (if any) but it shall not be liable for any liabilities arising as a result of any delay in the completion of the contract or delivery of the Goods or discrepancies in quantities delivered.

B. If the Customer fails to take delivery of Goods when they are ready for delivery the Company may, at its option, either store them itself or have them stored by third parties on such terms as the Company may in its absolute discretion think fit. The cost of storage together with any additional insurance or handling charges will be added to and form part of the price for the Goods payable by the Customer. Charge (without prejudice to any other rights of the Company) interest on the amount due at 1 % per month or part thereon calculated from the date due for payment.

5. Title and Risk

- A. Title to Goods shall not pass to the Customer until the purchase price of the Goods have been paid in full. Until title to the Goods has passed to the Customer or until delivery of the Goods to a third party pursuant to the permission given below, the Customer will hold the Goods for the Company, will not obliterate any identifying mark on the Goods or their packaging and will keep the Goods separate from any other goods.
- B. The Company may, at any time after payment for the Goods or any other payment due and owing to the Company under the Contract Terms has become due, take possession of the Goods
- C. Risk of damage to or loss of the Goods shall pass to the Customer:
- (i) in the case of Goods to be delivered at the Company's premises, at the time when the Company notified the Customer that the Goods are available for collection; or
 - (ii) in the case of Goods to be delivered otherwise than at the Company's premises, at the time of delivery or, if the Customer fails to take delivery of the Goods, at the time when the Company has tendered delivery of the Goods.

6. Specifications, Descriptions, Drawings and intellectual

a. The Company reserves the right to make any changes in the specification of any goods and/or services which are required to conform with any applicable safety or other statutory requirements. Where goods are manufactured and/or services are performed in accordance with information or drawings supplied by the Client or to its design or specification or where standard goods and/or services of the Company are altered in accordance with the Client's instructions:-

- (i) no guarantee or warranty is given by the Company as to the practicability, efficiency, safety or otherwise of the goods and/or services (this being without prejudice to any other of the Contract Terms);
- (ii) the Client will indemnify and keep the Company indemnified against all liability incurred by the Company as a result of:-

(1) such goods and/or services infringing any intellectual property right including without prejudice to the generality of the foregoing patents registered designs and copyright or the provision of any statute, statutory instrument

or regulation;

(2) any impracticability, inefficiency or lack of safety or other defect in the goods and/or services where such defect is due (whether in whole or in part) to faults or omissions in such information, drawings, design, specification or instructions.

No variation in the specification or design of any goods and/or services which in the reasonable opinion of the Company does not affect the suitability of the goods and/or services for the purpose for which they are supplied by the Company will constitute a breach of contract or impose upon the Company any liability whatsoever. Unless otherwise expressly agreed in writing the Company shall be under no obligation to supply goods and/or services in accordance with any specification, information, drawings or sample provided by the Client.

b. All drawings, models and similar items prepared by the Company and the copyright and other intellectual property rights therein shall remain the property of the Company and such materials shall be returned by the Client on demand. All patents, registered designs, know-how or other intellectual property rights, samples, models, designs and drawings relating to goods and/or services their development or creation shall remain the Company's property, shall be treated as confidential and shall not be copied, reproduced or disclosed to any third party without the Company's prior written consent.

c. No right or license is granted to the Client under any patent, copyright, registered design or other intellectual property right except the right to use or re-sell goods or use services supplied in the ordinary course of the Client's business and any grant of shop rights to the Client by the Company is hereby specifically excluded.

d. The Client shall not without the Company's prior consent allow any trade marks of the Company or other words or marks applied to the goods to be obliterated, obscured or omitted nor add any additional marks or words.

7. Guarantee

a. If during the Warranty Period (defined below) any goods supplied by the Company or services performed by the Company are found upon inspection by the Company, following the notification referred to below, to have proved defective in material or workmanship under normal use and service and (if applicable) when properly installed and connected the Company will free of cost repair or (if the Company so wishes) replace such goods, or reperform such services, provided the Company is informed of the defect as soon as possible after discovery thereof and, should the

Company so require, the goods are returned carriage paid. Any cost or expense incurred by any persons removing or refitting goods shall be borne by the Client. The Company will not be liable under this guarantee for any goods in respect of which any identification or serial number thereon has been altered, defaced or removed or if goods (including goods on which services have been performed) have not been properly maintained in accordance with the Company's recommended maintenance procedure or have been subjected to any misuse, unauthorised repair, replacement, modification or alteration. This guarantee shall not apply if the Client is in breach of this or any other contract made with the Company (including without limitation any obligation to make payment to the Company).

b. Unless otherwise stated in writing the Warranty Period (referred to above) for goods and services shall be one year from the date of delivery to the initial retail user or performance as appropriate PROVIDED that where any part is repaired or replaced by the Company under the provisions of 7(a) the Warranty Period applicable to such repaired or replacement part shall be the unexpired portion of the period during which the repaired or replaced defective part would have had such benefit.

c. Where the Company recommends the use of particular fluids, materials or other accessories with goods (including goods on which services have been performed), the guarantee set out above shall not apply to any goods or services with which other fluids, materials or accessories have been used, but for the avoidance of doubt no such recommendation to use particular fluids, materials or other accessories shall make the Company in any way liable for any defect in such fluids, materials or accessories.

d. The Client agrees to indemnify and hold the Company harmless against any claims made against the Company in respect of products incorporating goods or services supplied by the Company where such claims relate to parts or aspects of products other than goods or services supplied by the Company. The Client will forthwith notify the Company of any such claim and the Company may at the Client's expense conduct any negotiations or proceedings arising from such claim and the client shall assist therein at its own cost.

e. The guarantee contained in this clause shall not apply in respect of goods or services supplied by the Company which are samples or prototypes or goods or services for test or evaluation purposes, and in these circumstances the Company's only obligation shall be to endeavour to supply goods and/or services in accordance with any specification, performance criteria or drawings agreed with the Client, so far

as is reasonably practicable and without prejudice to the limitations and exclusions of liability contained in these Contract Terms.

8. Limitation and Exclusion of Liability

- A. The Company's obligations and liabilities to the Customer in respect of the Goods shall be limited to those set out in the Contract Terms.
- B. The Company does not exclude or limit its liability (if any) to the Customer for any matter which it would be illegal for the Company to exclude or to attempt to exclude its liability.
- C. Subject to and without limiting (A) above, all warranties, representations and conditions and all liabilities and obligations whatsoever and howsoever arising, whether express, implied, statutory or otherwise are hereby expressly excluded.
- D. Subject to and without limiting (A) and (C) above; the Company shall not be liable to the Customer for lost profits or incidental, indirect or consequential damages arising out of or in connection with any Goods whether supplied or not.

9. Misuse of Goods

a. The Company will not be liable for any liabilities in relation to any use of the goods other than in strict accordance with the Company's instructions and for the purpose and application for which the goods were supplied by the Company.

b. The Client undertakes with the Company:-

- (i) that it will acquaint itself with the requirements of all relevant government or statutory and other authorities, bodies or corporations relating to the goods and/or services and to the applications to which the goods and/or services are to be put;
- (ii) that at all times while the goods are in its possession or under its control it will comply with such requirements;
- (iii) that it will procure that any purchaser of goods from it will also acquaint itself with, and will comply with, such requirements;
- (iv) that it will indemnify the Company against any liability resulting from a breach of any such requirements.

10. Force Majeure

Neither the Company nor the Customer will be liable for a failure to perform that arises from causes or events beyond its reasonable control and without its fault or negligence. The

party claiming the excusable delay shall give notice in writing as soon as possible after the occurrence of the cause relied on and after termination of the condition. The Customer shall continue to pay for Goods delivered.

11. Assignment

The Customer shall not assign, mortgage, or otherwise dispose of any contract or any rights thereunder in whole or in part without the Company's prior written consent.

12. Default

If:

- A. The Customer fails to pay the price when due or otherwise breaches any contract with the Company or any TRW Company; or
- B. The Customer is unable to pay its debts as they become due, or the Customer otherwise becomes insolvent or suspends payment or threatens to do so or ceases to do business; or
- C. Steps are taken to:
 - (i) propose any composition or arrangement involving the Customer and its creditors generally; or
 - (ii) obtain an administration order or appoint any receiver in relation to the Customer or any of its property; or
 - (iii) wind-up or dissolve the Customer; or
 - (iv) change who has control of the Customer; or
- D. The Company reasonably believes that any of the foregoing is about to occur,

Then:

the Company may (without prejudice to its other rights hereunder or otherwise) at any time by notice to the Customer do any one or more of the following:

- E. terminate, cancel and/or rescind the contract or any release and any other contracts with the Customer or suspend any deliveries to be made under any contract with the customer, or
- F. revoke any authority to sell, use or consume any Goods the title of which has not passed to the Customer ("relevant goods") and require the Customer to return to the Company any relevant goods (and, if the Customer fails to do so, the Customer shall reimburse the Company for all costs to obtain possession of relevant

goods, and re-sell any relevant goods without giving notice, or

- G. require the Customer to reimburse the Company for costs related to any purported cancellation or failure to take delivery, including without limitation the cost of any material, labor, plant, tools and any overheads used, or intended to be used, for the Customer's order(s)

13. Forbearance

The Company's rights shall not be prejudiced or restricted by any indulgence or forbearance extended to the Client and no waiver by the Company in respect of any breach shall operate as a waiver in respect of any subsequent breach.

14. General

- A. The Company will (without prejudice to any other remedy available to it) have in respect of all unpaid debts due from the Customer a lien on all property of the Customer in the possession of the Company.
- B. The Company will be entitled to set off any liability of the Customer to any TRW Company against any liability of the Company to the Customer.
- C. The customer undertakes that they will not (and will ensure that their agents, employees and representatives will not) directly or indirectly give or offer anything of value, including money, goods and services, to any government official, customer or potential customer of TRW products, including employees of such customers, in order to influence that customer or potential customer's decision making process. Distributor/agent commits to base its business conduct on principles of fair dealing and confirms that it has established a relevant system to ensure that it will not give or accept any kickback, bribe, commission or personal benefit. Further, distributor/agent will comply with, and will ensure compliance of its agents, employees and representatives with, TRW's Anti-Bribery and Anti-Corruption Policies (copies of which are available on demand) as the same may be updated from time to time.