



## MARKETING POLICY – SALES TERMS AND CONDITIONS

Original Equipment and Aftermarket

### 6. APPENDICES

#### 6.1. GENERAL TERMS AND CONDITIONS OF SALE – INDUSTRIAL BRANCHES

### GENERAL TERMS AND CONDITIONS OF SALE

#### GENERAL

1. These General Terms and Conditions of Sale (the “Agreement”) are applicable to all sales made by \_\_\_\_\_ (“Valeo”) of products (the “Products”) to non-Mexican customers or to customers located in the United Mexican States that intend to offer the Products for sale outside the United Mexican States (hereinafter, «the “Customer»”). Unless agreed otherwise by the parties in writing, these General Terms and Conditions apply exclusively to the Products contemplated in the purchase order related to this Agreement. Except for terms that shall remain such as warranties, confidentiality and the like, once the Products are delivered and the price is paid, this Agreement shall terminate.
2. The Agreement shall constitute the only Agreement applicable to sales by Valeo and expressly excludes the application of Customer’s general terms of purchase. The terms of this Agreement are applicable to all sales made by Valeo to Customer and are the only conditions applicable to the sale of Valeo’s Products, except terms relating specifically to price, quantities, delivery schedules, terms of payment, and other order-specific terms agreed previously by the parties in writing. Customer hereby expressly agrees that Customer’s Terms and Conditions shall not apply. The Agreement may not be varied or modified in any manner, unless in a subsequent writing signed by one or more authorized representatives of both parties. No course of dealing or usage of trade shall be applicable unless expressly incorporated in this Agreement in writing. Any stenographic or clerical errors are subject to correction by Valeo. Customer’s written acknowledgment, issuance of purchase order, acceptance of a Valeo offer of sale or acceptance of the Products, whichever occurs first, shall be deemed as the acceptance of this Agreement.
3. The failure of Valeo to insist upon the performance of any term or condition of this Agreement, or to exercise any right hereunder, shall not be construed as a waiver of the future performance of any such term or condition or the future exercise of such right.
4. When a purchase order is issued, the Customer shall, upon Valeo's request in writing, present an irrevocable documented letter of credit confirmed by a Valeo approved bank covering the price or the balance of the price of the Products.
5. Except as specifically set forth in this Agreement, all sales of Valeo Products are final. They cannot be returned or exchanged.

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6. Valeo reserves the right at any moment to refuse a purchase order for quantities less or different from those contained in its standard packaging.
7. If the Customer alters or distorts, in part or in full, the packaging, markings, numbers, or consistency of Valeo's Products as they exist at the time of delivery, or sell the Products in other than their original, unaltered packaging or use those which may have been altered or distorted in any way, Valeo will be able to terminate this Agreement without any responsibility to Customer through written notice given to the Customer and Valeo will not be obliged to deliver the Products corresponding to any sale between the Customer and Valeo. Without prejudice to the above, ensuring Valeo's Products comply with the rules and standards governing the labeling and marking of Products in force in the country of import is at the expense of and the sole responsibility of the Customer.
8. When import licenses or exchange control formalities are required for the import of the Products into the country of destination, or for the payment in Mexico of Valeo's Products, obtaining these authorizations and formalities in due time is the sole responsibility of the Customer, who should nevertheless advise Valeo in writing upon issuing the respective purchase order.

### DELIVERY

9. Except as stated otherwise, on acceptance of the purchase order, Valeo Products are sold ex works (INCOTERMS 2000) at Valeo's address (the "Warehouse") indicated on the front side of this Agreement. Once the Products leave the Warehouse, all shipping, insurance, custom duties, taxes and any other expenses are borne by the Customer.
10. Delivery lead times are given as precisely as possible, but depend on Valeo's procurement possibilities.
11. Delays in delivery will not give rise to damages, or the cancellation of the orders in progress.
12. The Products will be shipped at the Customer's risk, even if shipping is done at Valeo's expense pursuant to the parties' express written consent.

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13. The Customer shall reserve all rights of redress with respect to the carrier in the event of missing goods, damage, lateness, etc., and shall timely take all measures and accomplish any formalities which may be necessary.
14. The Customer shall inspect all goods received by Valeo within 30 calendar days after a receipt. Notwithstanding the foregoing, Customer shall be deemed to have accepted Valeo's Products in the event that Valeo has not received a written notice from the Customer informing Valeo of any inconformity of the goods within such term.
15. If the parties agree that the shipping of the goods must be performed by Valeo and the shipping is delayed for any reason whatsoever beyond Valeo's control, the Products can be moved and stored at the expense and risk of the Customer to any place decided upon by Valeo, but Valeo declines any liability in this respect. These provisions do not modify in any way the Customer's duty to pay for the goods and do not constitute a waiver of the sale.
16. If the Products are stored by Valeo for a period of more than two months after the scheduled date of delivery, Valeo reserves the right to cancel this Agreement or the corresponding sale and pursue appropriate damages and losses, which cannot be less than the total amount of sale.

#### PRICE-CONDITIONS OF PAYMENT

17. Customer shall be invoiced for Valeo's Products at the prices previously agreed by the parties in writing.
18. There will be an extra charge for special packaging. Special packaging shall mean any form different from the general and regular packaging used by Valeo to commercialize its products.
19. All taxes, customs duties or other charges to be paid due to the sale of the Products of Valeo to the Customer shall be calculated and borne exclusively by the Customer.

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20. Valeo may request at any time a deposit to guarantee payment of the Products. Once the deposit is made, Valeo is hereby authorized to utilize such deposit to cover any amount due by Customer.
21. Valeo's invoices are payable on presentation to the Customer, without discount or compensation. The presentation of the invoice shall take place upon delivery of the Products at the Warehouse, and the payment will be made by irrevocable letter of credit confirmed by a Valeo approved bank or by any other means approved previously by Valeo.
22. Non-payment of the amount due on any single due date will automatically cancel the deferred payment terms and the total outstanding amount due by the Customer in favor of Valeo shall then be due immediately.
23. Valeo reserves the right to suspend the execution of its own obligations until such time as the overdue payment is received. In addition, the balance due will bear interest from the due date the prime rate of Citibank in New York City, United States, plus 2 points.
24. Payment in cash or a guarantee (such as a bank guarantee) may be demanded by Valeo, if Valeo considers that adequate references of the Customer have not been provided or if Valeo's exclusive appreciation of the risk incurred changes for any reason. In such case, Valeo has no obligation to deliver the Products unless such guaranty or collateral is posted.
25. Valeo reserves the right at any moment, depending on its exclusive appreciation of the risks incurred or the guaranties offered, to fix or reduce the annual overdraft ceiling of a Customer and to modify Customer's payment terms.
26. Discounts granted by Valeo to the Customer pursuant to certain sales are only demandable from Valeo if, on the date of payment, all sums due by the Customer to Valeo have been discharged and such discounts have been granted in writing.
27. In the event of the Customer's sale, disposal, or pledge as security of its business assets or the material necessary for the running of its business, the sums due to Valeo shall be payable immediately, regardless of conditions previously agreed.

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28. The Customer shall not suspend payment for Products in reliance on an alleged dispute or an alleged breach of warranty.
29. In the event of default of payment by the Customer or any of the obligations of the Customer under this Agreement, on the due date, Valeo reserves the right to cancel this Agreement through written notification of default sent to the Customer, without prejudice to any damages and losses which Valeo may claim.
30. If necessary, Valeo may reclaim the Products and related documents. All expenses and disbursements (including transfer expenses) incurred by Valeo in this event shall be reimbursed to Valeo by the Customer.
31. The Customer accepts that Valeo will offset sums due by Valeo to the Customer against sums due by the Customer to Valeo.

#### RESERVATION OF DOMINION CLAUSE

32. Valeo hereby retains full ownership of the Products until full payment of the selling price has been received. All the risks of damage or loss of the sold Products will be borne by the Customer from the moment the Products are delivered to the Customer.
33. Valeo reserves the right to reclaim the Products in the event of any single case of non payment of the sums due, and the Customer undertakes to return the Products on Valeo's initial demand and bear all related expenses and damages that it may cause for such return.
34. The Customer shall insure the Products on delivery against all risks and until the price for the Products are fully paid to Valeo.
35. The Customer shall immediately advise Valeo by fax confirmed by certified writing, of any material or legal incidents (in particular, a seizure levied by a third party) which could subject the Products to a lien, encumbrance, or third party impositions.

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36. Until full payment of the price, the Customer shall maintain the Products marked as property of Valeo, so they cannot be confused in any way with the products of other suppliers. The Products cannot be transferred, re-sold, disposed or, more generally, be subjected to rights conferred on third parties until full payment of the price.

#### LIMITED WARRANTY AND WARRANTY DISCLAIMER

37. Valeo warrants that, for a period of six (6) months from the date of sale as shown on the invoice, the Products shall be free from significant operational defects in material and workmanship. A warranty replacement of a claimed defective Product by the Customer shall not have the effect of extending this warranty period. The Products shall be deemed defective if the failure claimed by Customer can be duplicated by Valeo (i.e., when the defect is duplicated in normal conditions of use). This warranty shall not be extended beyond the parties to this Agreement. Disassembly and reassembly costs are not covered by this warranty.
38. THE WARRANTIES IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SAID WARRANTIES BEING EXPRESSLY DISCLAIMED. UNDER NO CIRCUMSTANCES SHALL VALEO BE HELD RESPONSIBLE BEFORE THE CUSTOMER OR THIRD PARTIES FOR THE PERFORMANCE OF PRODUCTS TO STANDARDS SPECIFIC TO THE COUNTRY OF IMPORT WHICH WERE NOT SPECIFICALLY NOTED ON A WRITTEN DOCUMENT FROM CUSTOMER TO VALEO AND WHICH WERE NOT ACCEPTED IN WRITING BY VALEO.
39. This limited warranty shall not apply in the event of defects caused by: (a) physical abuse of the Products or any components by any person other than a representative of Valeo; (b) defective maintenance or unsuitable storage; (c) normal wear and tear; (d) alterations, modifications, additions, or repairs made during the applicable warranty period by anyone other than Valeo; (e) accidents or damage caused by fire, water, wind, hail, lightning, electrical surge or failure, earthquake, theft or similar causes not caused by or contributed to by the negligence of Valeo; or (f) installation or use in contravention of Valeo's instructions and specifications.

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#### LIMITED REMEDY

40. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY AGAINST VALEO SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT OF NONCONFORMING OR DEFECTIVE PRODUCTS. THE DECISION TO REPAIR OR REPLACE THE PRODUCTS SHALL BE MADE SOLELY BY VALEO. THE PRODUCTS OR COMPONENT PARTS REPLACED UNDER A WARRANTY CLAIM BECOME THE PROPERTY OF VALEO.

#### LIMITATION OF DAMAGES

41. THE MAXIMUM LIABILITY OF VALEO FOR ALL DAMAGES, INCLUDING WITHOUT LIMITATION CONTRACT DAMAGES AND DAMAGES FOR INJURIES TO PERSONS OR PROPERTY, WHETHER ARISING FROM VALEO'S BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR OTHER TORT, IS LIMITED TO AN AMOUNT NOT TO EXCEED 3% OF THE ANNUAL SALES MADE BETWEEN VALEO AND CUSTOMER IN THE PRECEDING 12 MONTH PERIOD COUNTED FROM THE OCCURRENCE OF THE DAMAGE, EXCLUDING TAXES. IN NO EVENT SHALL VALEO BE LIABLE TO CUSTOMER FOR ANY INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST REVENUES AND PROFITS, EVEN IF VALEO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE PARTIES AGREE THAT THIS LIMITATION ON DAMAGES SHALL REMAIN OPERATIVE EVEN IF SECTION FORTY OF THIS AGREEMENT IS SET ASIDE OR VOIDED.
42. The conditions specified by Valeo concerning storage, assembly, or use of the Products when the Products are still the property of Valeo pursuant to what is established herein, shall be complied with by the Customer who shall in turn advise its own customers and sub-contractors. The Customer will be liable for any breach of such specified conditions even if such breach is caused by its representatives, employees, its customers or its subcontractors.
43. Valeo declines any liability for any product or component not delivered by itself, and in particular, for other products or components used by the Customer and integrated into

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assembly. Valeo cannot be liable if the failure of one of its Products is caused by other neighboring components or by components with which it is linked by the Customer.

#### FORCE MAJEURE

44. Valeo shall not be liable for delays or for failures in performance arising out of or resulting from, directly or indirectly, causes beyond its control. Such causes include, but are not limited to, acts of God, acts of Customer, acts of the Government or the public enemy, fire, flood, epidemics, quarantine restrictions, strikes, freight embargos, severe weather, raw materials shortages, labor shortages or any other circumstances beyond the reasonable control of Valeo.

#### INDUSTRIAL PROPERTY

45. All specifications, drawings, inventions, engineering notices, financial information, technical data, and/or equipment supplied by Valeo shall remain Valeo's property and shall be held in confidence by Customer. Such information shall not be reproduced, used or disclosed to others by Customer without Valeo's prior written consent, and shall be returned to Valeo upon demand or upon completion by Valeo of its obligations under this Agreement. Without first obtaining the prior written consent of Valeo, Customer shall not advertise or publish the fact that Customer has contracted to purchase Valeo goods or services, or use any trademarks or trade names of Valeo in Customer's advertising or promotional materials. In the event of Customer's breach of this provision, Valeo shall have the right, among all other remedies, to cancel the delivery of any Products covered by this Agreement and shall accelerate immediately all amounts due to Valeo prior to cancellation.

Valeo has no confidentiality obligation towards the Customer pursuant to Customers' information disclosed to Valeo by the Customer and Customer shall not assert any claim against Valeo by reason of Valeo's use of such information, except for the provisions of any confidentiality agreement previously signed by the parties or for any information delivered by the Customer to Valeo specifically marked as confidential.

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46. The Products, together with their packaging, are sold under the brand name Valeo to the exclusion of all other brand names except with express consent of Valeo in writing.

#### SEVERABILITY

47. If any term of this Agreement is invalid or unenforceable under Mexican law, such term shall be deemed null and void, but only to the extent necessary to comply with Mexican law.

#### APPLICABLE LAW AND DISPUTES

48. This Agreement shall be construed and interpreted in accordance with the laws of Mexico.
49. All the controversies derived from this Agreement or having a relation thereto will be definitively resolved in accordance with the Rules of Arbitration of the International Chamber of Commerce by one or three arbitrators appointed as established in such rules.

The arbitration procedure will be conducted in English in Mexico City.

#### APPLICATION OF THE GENERAL TERMS AND CONDITIONS OF SALE

50. These terms and conditions of sale are effective as of \_\_\_\_\_ to all orders received from Customer and supersede any prior general terms and conditions of sale.

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