

PATENT ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Siemens Canada Limited	05/01/2007
RECEIVING PARTY DATA	
Name:	Siemens VDO Automotive Canada Inc.
Street Address:	2775 St. Etienne Blvd.
City:	Windsor, Ontario
State/Country:	CANADA
Postal Code:	N8W 5B1
PROPERTY NUMBERS Total: 37	
Property Type	Number
Application Number:	09552339
Application Number:	09573839
Application Number:	09439653
Application Number:	10199798
Application Number:	09948364
Application Number:	09865983
Application Number:	08946481
Application Number:	09102929
Application Number:	11339213
Application Number:	09520199
Application Number:	08978406
Application Number:	09495593
Application Number:	09551442
Application Number:	09822304
Application Number:	10201337

501568640

PATENT
REEL: 026464 FRAME: 0870

OP \$1480.00 09552339

Application Number:	10256219
Application Number:	10262175
Application Number:	10657656
Application Number:	11301431
Application Number:	11367782
Application Number:	10690363
Application Number:	10842872
Application Number:	10866367
Application Number:	10884134
Application Number:	10888416
Application Number:	10838063
Application Number:	10957389
Application Number:	11145715
Application Number:	11032965
Application Number:	10157378
Application Number:	10255152
Application Number:	10263633
Application Number:	10361721
Application Number:	10847712
Application Number:	09562560
Application Number:	10976615
Application Number:	10976616

CORRESPONDENCE DATA

Fax Number: (215)569-6499
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 215-568-6400
 Email: dlarsen@vklaw.com
 Correspondent Name: Volpe and Koenig, P.C.
 Address Line 1: United Plaza
 Address Line 2: 30 South 17th Street
 Address Line 4: Philadelphia, PENNSYLVANIA 19103

ATTORNEY DOCKET NUMBER:	IPAN-1C
-------------------------	---------

NAME OF SUBMITTER:	Sarah E. Galbraith
--------------------	--------------------

Total Attachments: 19
 source=SCL to SvdoACI#page1.tif
 source=SCL to SvdoACI#page2.tif

PATENT
REEL: 026464 FRAME: 0871

source=SCL to SvdoACI#page3.tif
source=SCL to SvdoACI#page4.tif
source=SCL to SvdoACI#page5.tif
source=SCL to SvdoACI#page6.tif
source=SCL to SvdoACI#page7.tif
source=SCL to SvdoACI#page8.tif
source=SCL to SvdoACI#page9.tif
source=SCL to SvdoACI#page10.tif
source=SCL to SvdoACI#page11.tif
source=SCL to SvdoACI#page12.tif
source=SCL to SvdoACI#page13.tif
source=SCL to SvdoACI#page14.tif
source=SCL to SvdoACI#page15.tif
source=SCL to SvdoACI#page16.tif
source=SCL to SvdoACI#page17.tif
source=SCL to SvdoACI#page18.tif
source=SCL to SvdoACI#page19.tif

ASSET TRANSFER AGREEMENT

THIS AGREEMENT is made as of May 1, 2007

BETWEEN:

SIEMENS CANADA LIMITED, a corporation subsisting under the laws of Canada (hereinafter referred to as the "Vendor")

- and -

SIEMENS VDO AUTOMOTIVE CANADA INC., a corporation subsisting under the laws of Canada (hereinafter referred to as the "Purchaser").

WHEREAS the Vendor is the owner of the Transferred Assets and operates the related Transferred Business (as such terms are hereinafter defined);

AND WHEREAS the Vendor desires to transfer to the Purchaser and the Purchaser desires to acquire the Transferred Assets from the Vendor.

NOW THEREFORE, in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "Agreement" means this asset transfer agreement, including all Schedules attached hereto, and all amendments made hereto by written agreement between the Vendor and the Purchaser from time to time;
- (b) "Affiliate" has the meaning given to such term in the *Canada Business Corporations Act*;
- (c) "Assumed Obligations and Liabilities" means all liabilities and obligations of the Vendor arising from or relating to the Transferred Assets, the Transferred Business or any Reorganization (including any liability for taxes related to the Transferred Assets, the Transferred Business or any Reorganization not paid or accrued by the Vendor as of the date hereof (including, in each case, land transfer taxes associated with real property forming part of the Transferred Assets));
- (d) "Business Day" means a day other than a Saturday, a Sunday or any other day on which commercial banks in the Province of Ontario are authorized or obligated to be closed;

- (e) **"Claims"** means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), claims and demands of whatever nature or kind (including in respect of taxes and interest and penalties relating thereto), plus all legal fees, consulting costs, disbursements, taxes, administrative costs and other expenses incurred with respect to such Claims;
- (f) **"Commitments"** means contracts, arrangements, indentures, mortgages, leases, licence agreements, purchase orders, commitments and engagements, including any quotation, purchase order, bid, proposal or tender for any commitment which remains open for acceptance and any manufacturers' or suppliers' warranty, guaranty or commitment (express or implied);
- (g) **"Contracts"** means all Commitments relating primarily to the Transferred Assets or the Transferred Business to which the Vendor is (itself or through an agent) a party or bound, or the benefit of which is held in trust for or has been assigned to the Vendor as at the Effective Date, but excluding commitments of insurance relating to the Transferred Assets and the Transferred Business;
- (h) **"Effective Date"** means May 1, 2007;
- (i) **"Effective Time"** means 12:01 a.m. (local time) on the Effective Date;
- (j) **"Eligible Property"** has the meaning set out in subsection 85(1.1) of the ITA;
- (k) **"ITA"** means the *Income Tax Act* (Canada);
- (l) **"Owned Real Properties"** means those real properties owned by the Vendor and described in Schedule D;
- (m) **"Purchase Price"** has the meaning set out in Section 2.02;
- (n) **"Purchaser Common Shares"** means 99 common shares in the capital of the Purchaser to be issued to the Vendor pursuant to Section 2.03(b);
- (o) **"Reorganization"** means any restructuring, corporate reorganization, asset transfer or sale, amalgamation, divisive reorganization or other reorganization of any kind occurring before the date hereof in respect of which any of the Transferred Assets or Transferred Business was involved;
- (p) **"Transferred Assets"** means all of the assets of the Vendor that are used solely in the Transferred Business;
- (q) **"Transferred Business"** means the business of manufacturing for, and providing services to, the automotive industry, and all related activities, at present and heretofore carried on by the Vendor at places of business located in London, Chatham, Tilbury and Windsor, Ontario;

- (r) **"Transferred Employees"** means all employees, whether on long-term disability, short-term disability, temporary lay-off, company approved leave of absence, workplace safety and insurance benefits or on pregnancy/parental leave, who are employed by the Vendor in the Transferred Business and listed on the Vendor's payroll, in each case immediately before the Effective Time, whether or not such employees are covered by any collective agreement; and
- (s) **"Vendor Balance Sheet"** means the balance sheet of the Vendor in respect of the Transferred Business identifying each of the Transferred Assets and certain Assumed Obligations and Liabilities.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles, Sections of, and Schedules to this Agreement.

1.03 Extended Meanings

In this Agreement, words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations. The term "including" means "including without limiting the generality of the foregoing".

1.04 Accounting Principles

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be generally accepted accounting principles applicable in the United States as at the date on which such calculation or action is made or taken or required to be made or taken in accordance with generally accepted accounting principles.

1.05 Currency

All references to currency herein are to lawful money of Canada.

1.06 Schedules

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

- Schedule A - Purchase Price Allocation
- Schedule B - Vendor Balance Sheet

Schedule C	-	Pension and Group Benefit Plan Agreement
Schedule D	-	Owned Real Properties

ARTICLE 2- TRANSFER

2.01 Purchase and Sale

(1) As of and with effect from the Effective Time and subject to the terms and conditions hereof, the Vendor hereby transfers, sells, assigns and conveys to the Purchaser and the Purchaser hereby purchases and acquires from the Vendor all of the Vendor's right, title and interest in and to the Transferred Assets, save and except for legal title to the Owned Real Properties.

(2) The Purchaser acknowledges and agrees with and to the Vendor (it being acknowledged that the Vendor is relying on such acknowledgements and agreements in entering into this Agreement) as follows:

- (a) Except for the obligations of the Vendor as expressly set out in this Agreement, the Transferred Assets are being sold by the Vendor, and are being purchased by the Purchaser, strictly on an "as is - where is" basis.
- (b) Except as expressly set out in this Agreement, no representations or warranties of any nature or kind have been made or will be made by the Vendor, or anyone acting on behalf of the Vendor, whether before or after the Effective Date, to or for the benefit of the Purchaser with respect to the Transferred Assets or the Transferred Business.
- (c) The Purchaser is relying solely on its own due diligence, searches, inspections and investigations in purchasing the Transferred Assets.
- (d) The Purchaser acknowledges that any documents, materials and information provided by or on behalf of the Vendor to the Purchaser with respect to the Transferred Assets and the Transferred Business have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor has not made and is not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy or completeness of any such documents, materials or information. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information.

2.02 Purchase Price

The purchase price (the "Purchase Price") for the sale to the Purchaser of the Transferred Assets upon the terms set out herein shall be equal to the aggregate of the fair market value of the Transferred Assets as of the close of business on the day before the Effective Date.

Such fair market value will be determined by the Vendor, acting reasonably, within 90 days following the Effective Date in accordance with generally accepted accounting principles.

2.03 Payment or Satisfaction of Purchase Price

In payment for or otherwise in complete satisfaction of the Purchase Price, the Purchaser hereby:

- (a) as to an amount of the Purchase Price equal to the amount of the Assumed Obligations and Liabilities, assumes, and agrees to (i) fulfill and perform the Assumed Obligations and Liabilities and (ii) indemnify the Vendor and its directors, officers, employees and agents in respect of the amount of each the Assumed Obligations and Liabilities; and
- (b) as to the balance of the Purchase Price, allots and issues to the Vendor the Purchaser Common Shares.

2.04 Allocation of Purchase Price, Assumed Obligations and Liabilities and Purchaser Common Shares

(1) The Purchase Price shall be allocated among each of the Transferred Assets as to an amount equal to the fair market value of each of the Transferred Assets, as such amount is determined by the Vendor, acting reasonably. The allocations will (i) be appended as Schedule A to this Agreement and be deemed to form part hereof; and (ii) be determined and completed within 90 days following the Effective Date. The Purchaser and Vendor will, subject to applicable laws, use such allocations in filing their respective income tax returns.

(2) The Assumed Obligations and Liabilities assumed by the Purchaser in partial satisfaction of the Purchase Price shall be allocated as follows:

- (a) first, to each of the Transferred Assets which is not an Eligible Property, pro rata based on the fair market value of each such property but in no event shall the amount so allocated to a particular property exceed the fair market value of the property; and
- (b) second, pro rata to each of the Transferred Assets which is an Eligible Property in such amount agreed to by the Vendor and the Purchaser.

(3) The Purchaser Common Shares issued to the Vendor in satisfaction of the balance of the Purchase Price shall be allocated to each of the Transferred Assets to the extent that the fair market value of the particular property exceeds the amount of the Assumed Obligations and Liabilities allocated to the particular property as set out above.

2.05 Assumption of Obligations and Liabilities

The Purchaser hereby agrees with the Vendor that it will duly and properly perform, assume, pay and discharge when due the Assumed Obligations and Liabilities.

2.06 Substitution and Subrogation

The conveyance of the Transferred Assets to the Purchaser, its successors and permitted assigns, hereunder is with full rights of substitution and subrogation of the Purchaser, its successors and permitted assigns, to the extent possible, in and to all covenants and warranties by others heretofore given or made in respect of the Transferred Assets or any part thereof.

2.07 Tax Elections

(1) The Vendor and the Purchaser will jointly elect under subsection 85(1) of the ITA, in prescribed form and within the time provided, with respect to the transfer of each of the Transferred Assets which is an Eligible Property in respect of which the Vendor and the Purchaser agree to make such election, and, subject to applicable law, the agreed amount for the purposes of paragraph 85(1)(a) of the ITA in respect of each such property will be the amount specified by the Vendor. In addition, the Vendor and the Purchaser agree, with respect to such Transferred Assets, to jointly make, execute and file, in prescribed form and within the time provided, with the appropriate taxation authorities any similar elections required under the applicable provisions of the *Corporations Tax Act* (Ontario) and any other applicable provincial legislation.

(2) The Vendor and the Purchaser agree that, in respect of the Transferred Assets, the Vendor is transferring assets (forming part of the Transferred Assets) with a fair market value equal to the fair market value of the obligations of the Vendor to which paragraph 12(1)(a) of the ITA apply which are being assumed by the Purchaser (as part of the Assumed Obligations and Liabilities), and in respect of such transfer by the Vendor to the Purchaser, the Vendor and the Purchaser will jointly elect under subsection 20(24) of the ITA, and similar provisions under any applicable provincial income tax legislation, in the prescribed manner and within the time provided, to have the rules in subsection 20(24) of the ITA apply.

(3) The Vendor and the Purchaser will on, or as soon as possible after, the Effective Date jointly execute an election under section 22 of the ITA and any relevant similar provincial election, as to the sale of the accounts receivable of the Vendor to be purchased hereunder, and will designate therein the applicable portion of the Purchase Price referred to in Schedule C as the consideration paid by the Purchaser therefor and will each file such election with the Canada Revenue Agency forthwith after the Effective Date, and in any event, with their respective income tax return for the taxation year which includes the Effective Date.

(4) The Vendor and the Purchaser will jointly execute an election under section 167 (1.1) of the *Excise Tax Act* (Canada) such that goods and services tax will not apply in respect of the sale of the Transferred Assets. The Purchaser will file the election within the time prescribed for so doing under the applicable legislation.

(5) The Purchaser shall forthwith upon request of the Vendor promptly execute and deliver to the Vendor or to any other person directed by the Vendor any of the elections and other documents relating to or in connection with the matters set out in this Section 2.07 prepared by the Vendor in connection with the transfer by the Vendor to the Purchaser of the Transferred Assets.

2.08 Provincial Sales Tax and Land Transfer Tax

(1) The parties confirm that the Purchaser shall be solely responsible for self-assessing and remitting any tax arising under the *Retail Sales Tax Act* (Ontario) and/or equivalent provincial legislation in respect of its purchase of the Transferred Assets. Subject to the preceding sentence and Section 4.02(2) hereof, the Vendor and the Purchaser agree to co-operate to have the transaction reflected herein exempt from such tax, to the extent possible. If requested, the Purchaser will provide the Vendor with proof that it has complied with the above-noted application.

(2) The Purchaser will be responsible for any land transfer taxes payable or security for same in respect of the transfer of any Transferred Assets. Within 30 days following the Effective Date, the Purchaser will file with the Minister of Finance for Ontario the required return, security and undertaking under the *Land Transfer Act* (Ontario) in respect of the transfer of beneficial interest in the Owned Real Properties.

2.09 Amounts Received by the Vendor in Respect of the Transferred Assets

Where any amount in respect of an asset which is included in the Transferred Assets is paid to or received by the Vendor or its Affiliates or their respective successors on or after the Effective Date, the Vendor, its Affiliates or such successor shall forthwith (and in any event, within 30 days of the receipt of such amount) remit such amount to the Purchaser.

2.10 Vendor Balance Sheet

Within 90 days following the Effective Date, the Vendor will prepare an unaudited Vendor Balance Sheet detailing the Transferred Assets and certain Assumed Obligations and Liabilities as at the Effective Time. The Vendor Balance Sheet will be appended as Schedule B to this Agreement and will form a part hereof.

ARTICLE 3- REPRESENTATIONS AND WARRANTIES AND SURVIVAL

3.01 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor has been duly incorporated and organized and is subsisting under the laws of Canada;
- (b) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary corporate action on the part of the Vendor;
- (c) the Vendor is the owner of the Transferred Assets with good title and has the exclusive right and full power to sell, assign, transfer and deliver the Transferred Assets to the Purchaser and such sale will not contravene, breach or offend against or result in any default under any agreement, indenture, mortgage, lease agreement,

statute, regulation, order or judgment to which the Vendor is a party or subject or by which the Vendor is bound or affected;

- (d) the Vendor is not a non-resident of Canada within the meaning of the ITA; and
- (e) the Vendor is a registrant for purposes of the *Excise Tax Act* (Canada) whose registration number is 868220450RL0002.

3.02 Survival of Vendor's Covenants

(1) The representations and warranties of the Vendor set forth in this Agreement shall survive the completion of the sale and purchase of the Transferred Assets herein provided for and, notwithstanding such completion, shall continue in full force and effect for the benefit of the Purchaser for a period of 12 months following the Effective Date.

(2) The covenants and indemnities of the Vendor set forth in this Agreement shall survive the completion of the sale and purchase of the Transferred Assets herein provided for and, notwithstanding such completion, shall continue in full force and effect for the benefit of the Purchaser in accordance with the terms thereof.

3.03 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser has been duly incorporated and organized and is subsisting under the laws of Canada;
- (b) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder have been duly authorized by all necessary corporate action on the part of the Purchaser;
- (c) the Purchaser is a taxable Canadian corporation as defined in subsection 89(1) of the ITA; and
- (d) the Purchaser is a registrant for purposes of the *Excise Tax Act* (Canada) whose registration number is 85461 7792RT0001.

3.04 Survival of Purchaser's Covenants

(1) The representations and warranties of the Purchaser set forth in this Agreement shall survive the completion of the sale and purchase of the Transferred Assets herein provided for and, notwithstanding such completion, shall continue in full force and effect for the benefit of the Vendor for a period of 12 months following the Effective Date.

(2) The covenants and indemnities of the Purchaser set forth in this Agreement shall survive the completion of the sale and purchase of the Transferred Assets herein provided for and, notwithstanding such completion, shall continue in full force and effect for the benefit of the Vendor in accordance with the terms thereof.

ARTICLE 4 - COVENANTS

4.01 Covenants of the Vendor

(1) Subject to Section 3.02, the Vendor will indemnify and save harmless the Purchaser and its directors, officers, employees and agents from and against all Claims directly or indirectly suffered by the Purchaser resulting from any breach of any covenant of the Vendor contained in this Agreement or from any inaccuracy in any representation and warranty set forth in Section 3.01.

(2) At the request of the Purchaser, the Vendor shall, for a period of three months following the Effective Date, join with the Purchaser in sending out notices and letters in such form as the Purchaser may reasonably require to all of those suppliers and customers in relation to the Transferred Assets and the counter parties to the Contracts informing them of the sale and purchase of the Transferred Assets hereunder and that the Purchaser now carries on the Transferred Business.

(3) For a period of twelve months following the Effective Date, the Vendor shall ensure that originals of all notices, correspondence, information, orders or enquiries relating solely to the Transferred Business and the Transferred Assets and copies of relevant portions of all notices, correspondence, information, orders or enquiries relating partly thereto, which are received by the Vendor on or after the Effective Date shall be passed, as soon as practicable, to the Purchaser at the place designated by the Purchaser in Section 7.01.

(4) The Vendor shall deliver to the Purchaser the books and records in its possession relating solely to the Transferred Business, including without limitation all title and other documents, abstracts of title, deeds, surveys, leases, contracts and commitments, any supplier lists and, to the extent practicable, all books of account and accounting records and the financial statements, records of past sales, inventory data, inventory master records and accounts receivable data.

(5) Effective as of the Effective Date, the Vendor shall enter into a Pension and Group Benefit Plan Agreement with the Purchaser (in the form attached hereto as Schedule C) in respect of pension and group benefits plans for the Transferred Employees.

4.02 Covenants of the Purchaser

(1) Subject to Section 3.04, the Purchaser will indemnify and save harmless the Vendor and its directors, officers, employees and agents from and against:

- (a) all Claims directly or indirectly suffered by the Vendor resulting from any breach of any covenant of the Purchaser contained in this Agreement or from any inaccuracy in any representation or warranty set forth in Section 3.03; and
- (b) all Claims directly or indirectly relating to the Transferred Assets, the Transferred Business, the Assumed Obligations and Liabilities and all Contracts and Commitments whether accruing before, on or after the Effective Date.

(2) The Purchaser will be liable for and will pay all sales and transfer taxes, federal taxes and all other taxes, duties or other like charges properly payable upon and in connection with the conveyance and transfer of the Transferred Assets by the Vendor to the Purchaser, save and except any income or capital taxes payable by the Vendor, and shall indemnify and save harmless the Vendor and its directors and officers in respect of any liability regarding the payment or collection of such taxes, duties and charges.

(3) For a period of twelve months from the Effective Date, the Purchaser shall ensure that originals of all notices, correspondence, information, orders or enquiries relating solely to the ongoing business of the Vendor and copies of relevant portions of all notices, correspondence, information, orders or enquiries relating partly thereto which are received by the Purchaser on or after the Effective Time shall be passed, as soon as practicable, to the Vendor at the place designated by the Vendor in Section 6.01.

(4) For a period of six years from the Effective Date, or for such other period as required by applicable law, the Purchaser shall maintain and make available the books and records relating to the Transferred Business, the ownership of which is transferred to the Purchaser under this Agreement for inspection and copying (at the Vendor's expense, provided that there shall be no mark-up of the Purchaser's actual cost) by representatives of the Vendor and its professional advisors during working hours on reasonable advance notice and such undertaking as to confidentiality as the Purchaser may reasonably require being given provided that the Purchaser shall not be responsible or liable to the Vendor for or as a result of any loss or destruction of or damage for any such records.

(5) The Purchaser shall use its best efforts from time to time when appropriate after the Effective Date to obtain from the other parties thereto releases of the Vendor from its obligations and liabilities under any Contracts or Commitments that are part of the Transferred Assets, such efforts to include, unless there is no commercially reasonable alternative, not exercising rights of extension or exercising rights of termination, but not to include making payments of money or changing provisions of contracts as consideration for such releases.

(6) From and after the Effective Date, the Purchaser shall be responsible for all insurance coverage in relation to the Transferred Assets.

(7) The Purchaser shall be responsible for promptly procuring any permits, licenses, approvals or other authorizations necessary for the Purchaser to own, occupy, and operate the Transferred Assets after the Effective Date.

4.03 Employees

(1) The Purchaser will offer to employ on and after the Effective Date all of the Transferred Employees on terms and conditions that are substantially similar in the aggregate to the terms and conditions of employment as are in effect on the day before the Effective Date.

(2) To the extent that any collective agreement applies to the Transferred Employees, the Purchaser will be the successor to the Vendor under the collective agreement pursuant to the provisions of applicable labour legislation under applicable law and, on and after the Effective

Time, will be bound by and observe all of the terms, conditions, rights and obligations of the Vendor under such collective agreement to the extent it applies to the Transferred Employees.

(3) At the Effective Time, all items in respect of the Transferred Employees that require adjustment including, without limitation, premiums for employment insurance, Canada Pension Plan contributions, employer health tax, applicable statutory medical insurance, workers' compensation remittances and assessments, accrued wages, accrued vacation pay, salaries and commissions and employee benefit plan payments, will be appropriately adjusted to the Effective Time, respectively. To the extent that the Vendor makes any payments to the Purchaser on account of such adjustments, the Purchaser agrees to indemnify and save harmless the Vendor from and against all Claims in connection therewith.

(4) The Purchaser will indemnify and save harmless the Vendor and its directors, officers, employees and agents from and against all Claims directly or indirectly suffered by the Vendor relating to the Transferred Employees accruing before, at and after the Effective Time.

(5) On the Effective Date, the Vendor shall deliver to the Purchaser all personnel records and other records, books, documents and data bases recorded or stored by means of any device, including in electronic form, relating solely to the Transferred Employees.

4.04 Other Covenants

The parties acknowledge and agree that, subject to one party (the "Providing Party") having sufficient resources to do so and to the reimbursement by the other party (the "Requesting Party") of the Providing Party's reasonable out-of-pocket expenses, the Providing Party shall provide the Requesting Party, from time to time (at the Requesting Party's expense, provided that there shall be no mark-up of the Providing Party's actual cost and provided that the Providing Party shall provide a written invoice itemizing all costs in reasonable detail), all co-operation and assistance as may be reasonably requested by the Requesting Party in connection with the Requesting Party's review, investigation or defence of any matter in relation to third party investigations, claims, assessments or proceedings or any litigation (whether pending or threatened) involving the Transferred Assets or the Transferred Business. The obligations of the Providing Party shall include the preservation and production of documents and records and making available such personnel as may reasonably be requested, from time to time, for the foregoing purpose.

ARTICLE 5- CONSENTS AND COMPLIANCE

5.01 Assignment Consents

(1) The Vendor and the Purchaser shall use reasonable commercial efforts to obtain from the other parties thereto, where necessary, consents to the assignment of all the Contracts as contemplated hereby, and all necessary consents relating to the transfer of any Transferred Asset contemplated hereby. Each party shall be responsible for their internal costs in carrying out their respective obligation under this section. The Purchaser shall be responsible for all fees, charges, costs and expenses levied by a counterparty in granting its consent, including assignment fees (excluding any amount owing by the Vendor as of the Effective Time not related to or arising from the transactions contemplated hereunder which are the sole responsibility of the Vendor).

Subject to the foregoing, the parties shall use all reasonable efforts to obtain the consent or agreement of the other party to whatever assignment, transfer or novation is necessary to enable the Purchaser to perform such Contract after the date hereof or as the case may be to transfer the benefit and burden of such contract to the Purchaser in accordance with Section 2.01.

(2) This Agreement shall not constitute an agreement to assign any Contract, Commitment or Claim or right (collectively, "Entitlements" and individually an "Entitlement") or an agreement to transfer any Transferred Asset if any attempted assignment of an Entitlement without the consent of the other party thereto or any purported transfer of any Entitlement or Transferred Asset, as the case may be, would be ineffective or would constitute a breach of any Entitlement or in any way negatively affect the rights of the Vendor or the Purchaser.

(3) If such consent is not obtained, or if any attempted assignment or transfer of a Transferred Asset would be ineffective or would negatively affect the Vendor's rights so that the Purchaser would not in fact receive all such rights, then the Purchaser may, to the extent permissible and unless the relevant Contract prohibits it, act as agent for the Vendor in order to obtain for the Purchaser the benefits of the Entitlement or Transferred Asset in question and the Entitlement or Transferred Asset, as the case may be, shall be held by the Vendor as bare trustee for the Purchaser and shall, in the case of an Entitlement, if permitted, be performed by the Purchaser in the name of the Vendor and the Vendor and Purchaser shall co-operate in that regard and all benefits and obligations derived in respect of the Entitlement or Transferred Asset, as the case may be, shall be for the account of the Purchaser, provided, however, that where the rights of the Purchaser in respect of any Entitlement or Transferred Asset hereunder are not recognized by any third party, the Vendor shall at the request of the Purchaser enforce in a commercially reasonable manner at the cost of and for the account of the Purchaser any and all rights of the Vendor against such third party. The Purchaser shall indemnify and save harmless the Vendor in respect of the Purchaser's performance or failure to perform any obligation, duty or liability in connection with the foregoing. If the relevant Contract prohibits the Purchaser from so acting as agent or the Purchaser cannot be permitted to act as agent because of confidentiality obligations, the Vendor shall, at the cost of the Purchaser and only to the extent that the Vendor is reasonably able, do all such acts and things as the Purchaser may reasonably require to enable due performance of the Contract arising on and after the date hereof and to provide for the Purchaser the benefits, subject to the burdens of the Contract, and the Purchaser shall protect, defend, indemnify and hold harmless the Vendor for all losses suffered or incurred by the Vendor in respect of all such acts and things.

ARTICLE 6 - GENERAL

6.01 Notices.

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered, if delivered personally, three business days after being mailed by registered or certified mail (postage prepaid, return receipt requested) or one business day after being sent by internationally recognized overnight delivery service (providing proof of delivery and specified for overnight

delivery), or when sent via facsimile and receipt is confirmed to the parties at the following addresses:

If to the Purchaser:

Siemens VDO Automotive Canada Inc.
Siemens Canada Limited
2185 Derry Road West
Mississauga, ON L5N 5J1

Attention: Chief Financial Officer
Facsimile: (248) 209-7831

If to the Vendor:

Siemens Canada Limited
2185 Derry Road West
Mississauga, ON L5N 5J1

Attention: Vice President Legal & General Counsel
Facsimile: (905) 819-5880

6.02 Trust.

The Vendor shall hold its right, title and interest in any portion of the Transferred Assets which cannot, by law or contract, be properly assigned to the Purchaser, its successors and permitted assigns, in trust for the benefit of the Purchaser and shall, upon the direction of the Purchaser, take such action as is required to ensure that the Purchaser enjoys the full benefit of such Transferred Assets until such Transferred Assets can be properly assigned to the Purchaser in accordance with the provisions of Article 2. The Vendor and the Purchaser covenant and agree that there will be no registration or filing of notice following the Effective Date in any land registry office in respect of the transfer of beneficial interest in and to the Owned Real Properties to the Purchaser.

6.03 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.

6.04 Entire Agreement.

This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and undertakings, both written and oral, among the parties with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties hereto other than as expressly set forth in this Agreement.

6.05 Amendments and Waiver

No modification of or amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties hereto and no waiver of any breach of any term or provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

6.06 Assignment.

This Agreement shall not be assigned by any party without the prior written consent of the other party.

6.07 Parties in Interest.

This Agreement shall be binding upon, inure solely to the benefit of and be enforceable by each party and their respective successors and assigns hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person other than the parties any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

6.08 Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6.09 Counterparts; Facsimile.

This Agreement may be executed and delivered in one or more counterparts and via facsimile, and by the parties in separate counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

6.10 Further Assurances.

The Parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other party may reasonably request for the purpose of carrying out the transactions contemplated hereby.

6.11 Waiver.

Subject to the limitations contained in this Agreement, the failure of a party to require performance of any provision hereof shall not affect its right at a later time to enforce the same. No waiver by a party of any term, covenant, representation or warranty contained herein shall be effective unless in writing. No such waiver in any one instance shall be deemed a further or continuing waiver of any such term, covenant, representation or warranty in any other instance.

IN WITNESS WHEREOF the parties have executed this Agreement.

SIEMENS CANADA LIMITED

By: _____

Name: Hueseyin Gelis
Title: Executive VP & CFO

By: _____

Name: Christa C. Wessel
Title: VP, Legal & General Counsel

**SIEMENS VDO AUTOMOTIVE
CANADA INC.**

By: _____

Name: Hueseyin Gelis
Title: President

By: _____

Name: Christa C. Wessel
Title: Secretary

Schedule A
Purchase Price Allocation

[to be provided]

Schedule B
Vendor Balance Sheet
[to be provided]

Schedule C
Pension and Group Benefit Plan Agreement
[to be provided]

Schedule D

Owned Real Properties

700 PARK AVENUE EAST, CHATHAM, ONTARIO

Lots 10, 11, 12, part of Access Road as closed by No. 306109, and Block D, Plan 610, City of Chatham, Country of Kent, and part of Lot 4, Concession 2, River Thames Survey, Township of Harwich, County of Kent, designated as Parts 1 and 12 on Plan 24R-4695.

1020-1030 ADELAIDE STREET SOUTH, LONDON, ONTARIO

Firstly; Part of Lot 22, Concession 2, designated as Part 5 on Plan 33R-8148, and part of Lot 9, Plan 960, designated as Part 2 on Plan 33R-7895 and Part 2 on Plan 33R-6356, save and except Parts 1 and 4 on Plan 33R-7895, City of London, County of Middlesex.

Secondly: Part of Lot 22, Concession 2, designated as Parts 2, 3 and 6 on Plan 33R-8148, City of London, County of Middlesex.

16 INDUSTRIAL PARK ROAD, TILBURY, ONTARIO

Part of Lots 15 and 16, Concession 4 (Tilbury East), designated as Parts 2, 4 and 6 on Plan 24R-3477, and Parts 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 30 and 31 on Plan 24R-2441, Town of Tilbury, County of Kent.

2775 ST. ETIENNE BOULEVARD, WINDSOR, ONTARIO

Part of Lots 97, 98 and 99 (McNiff's Survey), Concession 3, City of Windsor, County of Essex, designated as Parts 1 and 2 on Plan 12R-10793, being all of PIN 01408-1104 (LT).