

General Terms and Conditions of Purchase/Ordering at Rail Power Systems GmbH

1. General

- 1.1 Terms and conditions of the Supplier which deviate from or augment these general terms and conditions are not legally binding for the Purchaser, even if the Purchaser does not express its dissent or the Supplier states that it plans to deliver only in accordance with its own conditions.
- 1.2 Orders and acceptance of orders shall be in written form. It shall be assumed that written orders and their written acceptance reflect the contents of the contract in full and correctly. The Purchaser and Supplier may contest this assumption at any point in time. Lines 2 and 3 shall apply if the Supplier verbally accepts a written offer issued by the Purchaser.
- 1.3 Explanations provided by an employee of the Purchaser on the grounds of implied and ostensible authority shall be binding for the Purchaser. If an employee acts without representational authority, the Purchaser shall be bound only if it confirms the explanations in writing.
- 1.4 If the Supplier does not accept the order within 14 (fourteen) days, the Purchaser shall be entitled to withdraw it. The Supplier may not derive any rights from this.
- 1.5 The transfer or subcontracting of the ordered deliveries and services to a third party shall require the written consent of the Purchaser if these actions apply to key components or even substantial subsets of the deliveries and services.
- 1.6 The Purchaser shall not bear the costs of insuring the goods. This applies in particular to forwarding insurance.

2. Delivery deadline and place of performance

- 2.1 The agreed date of delivery is binding. Advance deliveries may only be performed with the consent of the Purchaser. The timeliness of deliveries without assembly or installation shall be based on arrival at the delivery address provided by the Purchaser. The timeliness of deliveries with assembly or installation and the timeliness of services shall be based on their provision in a condition that allows acceptance.
- 2.2 The Supplier shall be obliged to provide the Purchaser with immediate information in the event or likelihood of events which make it impossible to uphold the delivery deadline.
- 2.3 If delivery is delayed, the Purchaser shall have recourse to compensation as provided by law. In particular, the Purchaser shall be entitled to demand damages in lieu of the service upon the expiry of a reasonable deadline without results.
- 2.4 Should the parties not agree on a compensation framework for a specific contract, the Purchaser shall be, following a prior written warning, entitled to demand the following from the Supplier in the event of delayed delivery: a contractual penalty corresponding to 0.3% of the order's value for every full week of delayed delivery, but attaining max. 5% of the order's value. The Purchaser shall reserve the right to further legal compensation such as withdrawal and damages. The Supplier shall add the contractual penalty to the damages due to delayed delivery. The Supplier shall have the right to prove to the Purchaser that it is not liable for the dereliction of duty and/or that the delay has caused no or substantially lower damages.
- 2.5 The Supplier shall not be entitled to make partial deliveries without the prior written agreement of the Purchaser.
- 2.6 The place of performance for the Supplier's deliveries or services is the address indicated in the order. Should no address be indicated and the place of performance be unclear from the nature of the contractual obligation, the head office of the Purchaser shall serve as the place of performance.

3. Prices, payment conditions and delivery conditions

- 3.1 The price indicated in the order shall be binding. Unless otherwise indicated, mandatory VAT shall be included in the price.
- 3.2 In the absence of a written agreement to the contrary, the price shall include delivery and transportation to the delivery address indicated in the contract and cover unloading and packaging. The Purchaser shall be entitled, but not obliged, to return packaging.

- 3.3 Unless otherwise agreed, the Purchaser shall pay the purchase price within 14 days following delivery and invoice receipt, with a 2% (two) discount, or within 30 days following delivery and invoice receipt.
- 3.4 The following information must be present in all order confirmations, delivery documents and invoices: order number, article number, project number, delivery quantity, delivery address, and the Purchaser's requirements as detailed for individual contracts. Should one or more of the items of information be absent and therefore delay processing within the context of the Purchaser's normal business operations, the payment deadlines detailed in point 3.3 shall be extended by a time equivalent to the delay.
- 3.5 The Purchaser shall have recourse to offsetting and retention rights within the legally defined scope.
- 3.6 The Supplier shall be excluded from exercising a retention right if the justification for this retention right is based on another contractual relationship (another once-off order is sufficient).
- 3.7 The Supplier shall not be entitled to transfer its claims due to the contractual relationship to a third party. This shall not apply in the case of claims pertaining to money.
- 3.8 Delivery items shall be packaged and dispatched in a suitable manner. Instructions regarding packaging and dispatching shall be followed. Delivery or packaging slips shall be included with every delivery. The Purchaser shall be sent notification of dispatching, at the latest on the day of dispatching. Any costs incurred by the Purchaser due to non-compliance with these rules shall be borne by the Supplier.

4. Receiving and accepting goods

Examples of force majeure including strikes and blockades shall entitle the Purchaser to postpone receipt of the ordered goods by a time equivalent to the named impediments. Under normal business conditions, acceptance shall follow on immediately from receipt or functional commissioning of an item, provided delivery is in line with contractual conditions. In the event of multiple deliveries which exceed the customary quantity, the Purchaser reserves the right to return excess items, and the costs of this shall be borne by the Supplier.

5. Rights relating to defects

- 5.1 The Purchaser shall have full recourse to all legal rights in the event of defects. However, the warranty period shall, conversely, be 36 (thirty-six) months as of the transfer of risk.
- 5.2 The Purchaser shall be obliged to inspect the goods for quality or quantity-related deviations within a reasonable period. Complaints shall be deemed to have been made on time if received by the Supplier within 3 working days following the receipt of goods or the discovery of hidden defects.
- 5.3 When the Supplier receives written notification of a defect, the expiry of warranty claims shall be postponed until the Supplier rejects the Purchaser's claims, announces the resolution of the defect, or otherwise refuses to continue negotiations regarding warranty claims.
- 5.4 The Purchaser shall not relinquish warranty claims following acceptance or receipt of samples and prototypes.
- 5.5 Irrespective of its rights relating to defects, the Purchaser shall be entitled to choose between subsequently having a defect corrected or a replacement delivery, unless such subsequent rectification is impossible, excessive or unreasonable. The right to compensation, in particular compensation in lieu of service, shall be expressly reserved.
- 5.6 Should the Purchaser demand subsequent rectification from the Supplier, the Supplier shall bear the costs entailed in performing this rectification, in particular costs relating to transportation, routes, labour and material to/from the site of installation named by the Purchaser, even if this site is located outside the Federal Republic of Germany.

6. Product liability

- 6.1 The Supplier shall bear responsibility for any claims made against the Purchaser due to personal injury or material damage arising from a defective product sourced from the Supplier if the cause lies within the field of the Supplier's control or operations and the Supplier is liable towards third parties. The Supplier shall be obliged to release the Purchaser from any resulting liability.
- 6.2 If the Purchaser is obliged to mount a recall vis-à-vis third parties due to a defective product sourced from the Supplier, the Supplier shall bear full the full costs connected to the recall. The Purchaser shall inform the Supplier of the contents and scope of the recall to the extent that this is possible and reasonable, and the Purchaser shall give the Supplier the opportunity to issue a statement.
- 6.3 The Supplier shall be obliged to conclude and bear the costs for product liability insurance covering payouts of at least EUR 2 million for each instance of personal injury or material damage. Unless otherwise agreed, this insurance policy does not need to cover the risk of recall or atypical and extremely unusual forms of damage. The Supplier shall forward a copy of the liability insurance policy to the Purchaser if so requested.

7. Industrial property rights

Should the Purchaser face claims due to the infringement of the rights of a third party, the Supplier shall be obliged to release the Purchaser from these claims. This obligation shall include any expenses necessarily incurred by the Purchaser due to or in connection with a third party. However, it shall not include instances when the Supplier proves that it is not liable for the dereliction of duty underlying the infringement of industrial property rights.

8. Duty of care and information

- 8.1 Should the Purchaser provide the Supplier with information regarding the purpose of the deliveries or services, or if such a purpose is obvious to the Supplier without explicit clarification, the Supplier shall be obliged to immediately inform the Purchaser if its deliveries or services are unsuitable for this purpose.
- 8.2 In order to clarify further steps, the Purchaser shall receive immediate written notification of situations which threaten adherence to agreed delivery deadlines.
- 8.3 The Supplier shall be obliged to provide the Purchaser with immediate written notification of compositional or construction-related changes to the processed material relative to similar deliveries or services previously supplied to the Purchaser. The changes require the Purchaser's written consent. Should the Purchaser agree to the changes within 1 (one) week of receiving the Supplier's written notification, the Supplier shall be obliged to observe the agreed delivery deadline.
- 8.4 The Supplier shall ensure that the deliveries and services meet the Federal Republic of Germany's environmental protection, accident prevention and other occupational health and safety regulations, in addition to safety-related regulations and other legal requirements. The Supplier shall inform the Purchaser of specific, not generally known handling and disposal requirements on the occasion of every delivery.

9. Provision of resources

- 9.1 All manner of objects provided by the Purchaser to the Supplier remain property of the Purchaser. They may be used only for completing the ordered deliveries and providing the ordered services. The Supplier shall clearly mark them as property of the Purchaser, store them carefully and use them exclusively for the purposes of the contract.
- 9.2 The Supplier shall be obliged to carry out any necessary inspection and maintenance work. The contractual partners shall each bear half of the costs for repair and maintenance. Furthermore, the Supplier shall be obliged to adequately insure resources entrusted to it and provide the Purchaser with proof if so requested.

- 9.3 Should the Supplier process or reshape materials supplied by the Purchaser to create new, movable items, the Purchaser shall be treated as the manufacturer. Should such materials be combined or inseparably merged with other objects, the Purchaser shall have co-ownership of the new item corresponding to the value that the objects had at the time of the combination or merging. Should this combination or merging occur in a form that results in the Supplier's items being viewed as the principle object, the following shall automatically be considered as agreed: the Supplier shall transfer commensurate co-ownership to the Purchaser; the Supplier shall store the co-owned item on behalf of the Purchaser.
- 9.4 Should the value of the Purchaser's security interest exceed the value of the secured claims by more than 10%, the Purchaser shall be entitled to allot the security rights according to its own choice upon the Supplier's request.

10. Secrecy

- 10.1 The Supplier shall be obliged to maintain discretion regarding not generally known business and technical information and documents of which it becomes aware due to the business relationship. The Supplier may apply these only for the purpose of providing the ordered deliveries and services. Similar obligations shall be imposed on any subcontracted suppliers.
- 10.2 The Supplier may name the Purchaser's company or brand in references or in its publications only with the latter's prior written consent.
- 10.3 If so requested by the Purchaser, the Supplier shall return all documents received from the Purchaser for the purpose of performing the order or processing an enquiry once the Supplier no longer requires the documents in ordinary business, or if negotiations do not result in the conclusion of a contract. Any copies created by the Supplier to these ends shall be destroyed. This shall not cover data whose storage is mandatory for legal reasons. Nor shall it cover data whose storage is necessary for backup-related reasons within the context of other data protection measures.

11. Spare parts and supply readiness

- 11.1 The Supplier shall be obliged to provide, at appropriate conditions, spare parts for the normal period of technical usage, but at least for 10 years following the delivery of the item in question.
- 11.2 Should the Supplier cease delivering spare parts following the expiry of the period mentioned in point 11.1 or cease delivering the item in question during this period, it shall inform the Purchaser immediately following the decision regarding the cessation of delivery. The Supplier shall give the Purchaser one least opportunity to submit an order.

12. Place of jurisdiction and applicable law

- 12.1 If the Supplier is a registered trader, the sole place of jurisdiction (including procedures involving cheques and bills of exchange) shall be the court responsible for the Purchaser's head office. The same place of jurisdiction shall apply if the Supplier has no general place of jurisdiction within the Federal Republic of Germany at the point in time when a court case is initiated. However, the Purchaser shall be entitled to resort to any court with judicial competence.
- 12.2 The law of the Federal Republic of Germany shall apply. The United Nations Convention on Contracts for the International Sale of Goods from 11 April 1980 (CISG) shall not apply.