

# Terms and conditions of sale and service

(Version: April 2016)

1. The following terms and conditions of sale and service apply exclusively to all sale and service transactions. Conflicting or differing terms and conditions in general and, in particular, the terms and conditions of purchase of our customers will not be accepted. The terms and conditions of sale and service apply to all business transactions between the parties, without the seller having to send these terms separately in each individual case.

2. All illustrations, drawings and weight specifications included in the various documents accompanying the contract are to be deemed approximate only and shall not be construed as a guarantee of the specifications of our products. This does not release the customer from the responsibility to check our information and recommendations before using the product for the intended purpose.

3. We retain intellectual property rights and copyright to all cost estimates, drawings and other documents. These documents may not be disclosed to third parties. All drawings and other documents must be returned to us promptly at our request if the contract is not concluded or implemented for whatever reason.

4. Our confirmation letter and these terms and conditions of sale and service define the rights and obligations of the parties. To be effective, any verbal side agreements and arrangements, including those with representatives, must be confirmed in writing.

5. All prices are quoted in EUR, ex works and exclude packaging. We reserve the right to adjust our prices if more than four months have passed between contract conclusion and performance and if the factors underlying the price calculations have changed during this period. If the customer suspends payments, any discounts, bonuses, etc. previously granted will be revoked and the gross prices will become payable. Bills of exchange and cheques are only accepted subject to clearance. The payment is only considered to have been made once the cheque or bill of exchange has cleared.

6. We are entitled to charge a handling fee of EUR 20 on all orders with a net goods value of EUR 100 or less. The minimum order quantity for all components and equipment is the packaging unit.

7. We are entitled to make partial deliveries to the extent that this is acceptable to the customer.

8. All goods are shipped at the risk and expense of the customer. In the absence of any arrangements, we will use our reasonable discretion to dispatch the goods. We are under no obligation to choose the cheapest delivery method. We shall only arrange insurance for the supplied goods at the express request of the customer. The cost of insurance shall always be borne by the customer. As a general rule, all deliveries are made on an ex works basis (Incoterms 2010 "EXW").

9. The risk, including the risk of the goods being seized or confiscated, is transferred to the customer upon handover to the forwarding agent or carrier, but no later than upon leaving our factory. This also applies to e.g. carriage paid, FOB and CIF transactions.

10. Unless agreed otherwise, all invoices of the seller shall be paid promptly in full no later than within 30 days of the invoice date.

We shall only grant customers a credit period for payment if we are not forced to recover items in court, the payment for which is outstanding, and we do not become aware of circumstances that may represent a threat to our assets. In this case, all payables of the customer, including those which are not yet due under the agreement, will become payable. If we withdraw the credit period for payment, we will be entitled to demand immediate cover for any accepted bills of exchange before they become due. All collection costs, including telephone or wire transfer expenses, shall be borne by the customer. The customer is only entitled to set off undisputed or legally established claims.

11. By way of derogation from the statutory rights, our liability in the case of justified material defect claims is as follows:

a) any defective parts or services shall be, at our option, either repaired, replaced or delivered again free of charge.

b) we shall have three attempts to remedy the defect in accordance with paragraph a) above. If we are unable to rectify the defect, the customer will be entitled to exercise the rights afforded to them by law.

Claims for damages are, however, excluded if we cannot be held liable in accordance with Section 12.

c) The customer shall inspect the supplied goods or services provided immediately upon receipt and notify us promptly of any identified defects (Article 377 of the German Commercial Code (HGB)).

Our liability does not extend to natural wear and tear and defects caused by improper or careless handling, excessive use or the use of unsuitable equipment. The same applies to modifications, repairs or maintenance performed by the customer or a third party without our prior written consent.

d) We do not accept any liability for material defects with respect to deliveries of goods manufactured by third parties. We hereby assign our claims against the supplier of the third-party products to the customer.

e) The limitation period for defects is one year, unless a five-year limitation period is required by law.

12. Claims for damages due to defects or breaches of contractual obligations are excluded.

This does not apply to damage resulting from injury to life, body or health due to a negligent breach of duty on our part or an intentional or negligent breach of duty on the part of our statutory representatives or subcontractors or other damage caused by a grossly negligent breach of duty on our part, the part of our statutory representatives or subcontractors.

This is without prejudice to the right of the customer to terminate the contract due to a breach of duty which does not involve a defect in the purchased goods or works, as well as claims under the Product Liability Act.

13. Events of force majeure (e.g. strikes, lockouts, acts of war and mobilisation, disruptions - whatever the cause -, delayed or insufficient number of cars provided by Deutsche Bahn AG, closure of railway lines) absolve both parties from adherence to agreed delivery periods.

14. The place of performance for all obligations arising from this agreement is Norderstedt, Germany.

This also applies to any cheques and bills of exchange accepted as payment.

15. If the customer is a business, the place of jurisdiction for any disputes arising from the contractual relationship, whether directly or indirectly, is Norderstedt, Germany. The contractual relationship is governed exclusively by the laws of the Federal Republic of Germany to the exclusion of the UN Convention on the Sale of Goods (CISG).

16. We reserve the right to terminate this agreement and any other contracts concluded between us and the customer if we become aware of circumstances indicating that the financial situation of the customer has deteriorated considerably. We shall notify the customer promptly of our intention to terminate the agreement. We also reserve the right to terminate this agreement if the customer fails to pay our outstanding invoices.

17. We retain title to the goods - including goods supplied abroad - until all claims against the customer which arise from the business relationship have been settled in full. Until this date, any attachment of goods, transfer of ownership by way of collateral and similar transfers are prohibited. Only resellers and contractors under contracts for work or services are permitted to resell and reuse retained goods in the ordinary course of business with the proviso that the reseller or contractor receives immediate payment or the title will be transferred to the third party after the purchase price has been paid in full.

Our consent to the transfer of ownership to the third party is conditional upon these conditions being met. In an abundance of caution, the customer shall, in the case of the goods being resold or reused, assign their future purchase price or wage claims upon conclusion of a transaction to us without the need for a formal request. Until further notice, the customer is authorised to collect the new claim. Where we process the goods delivered to the customer, we acquire joint ownership of the new item in proportion to the relationship between the value of the goods we have supplied and the value of the combined item.

If the goods are seized by a third party, the customer is required to notify the enforcing body / officer of the retention of title.

They are also obliged to notify us immediately by registered letter, enclosing the report on assets seized and a declaration in lieu of an oath confirming that the seized goods are identical to the goods falling under the retention of title which we have supplied and which has not yet been paid for in full.

Any intervention costs shall be borne by the customer. If the customer suspends payments, they shall promptly make a detailed list of available products we have supplied and the assigned receivables and submit this list to us.

If the value of all security interests we are entitled to under Section 1 exceeds the amount of all secured claims by more than 20 percent, we shall release the relevant part of the security interests at the request of the customer.

18. We store personal data in connection with business transactions, and we process this data in-house.

19. Due to possible variations in the manufacturing process, we reserve the right to make an under or over delivery equivalent to up to 5% of the order volume.