

Dürr Technik GmbH & Co. KG

Terms of Purchases July 2015

1. Scope of application, Conclusion of the Agreement, Amendments
 - 1.1 All our orders and purchases shall be subject to the following conditions. On completing the order, the Contractor shall respect these for the entire transaction – including subsequent deliveries – even if his own conditions of business state otherwise. Changes to these conditions, in particular different conditions of business on the part of the Contractor concerning order confirmations, are hereby expressly excluded. Our failure to reply to an order confirmation, relating to different conditions of business, shall not be deemed as agreement. We shall not regard such conditions as valid, even if the Agreement is carried out. We shall regard any deviation from our conditions in the confirmation as a refusal of our order. Paragraph 1.2 sentence 3 shall apply accordingly. If delivery still takes place, this shall be irrevocably seen as an acceptance of our conditions of purchase.
 - 1.2 Our written confirmation shall be definitive for the order. Orders given verbally only become legally binding when they are confirmed by us in writing. Any order shall be immediately confirmed to us, on a copy of our order form, with a specific reference to any deviation from our order. If we do not receive the confirmation or amendment within eight working hours, then we reserve the right to cancel the order free of cost to us.
 - 1.3 We are entitled to request modifications to the construction and design of the goods, as far as this is reasonable for the Contractor. The consequences of such variations, in particular in respect of increases and reductions in costs and in respect of delivery and service times, shall be accommodated by mutual consent in an appropriate manner. If an agreement cannot be reached, an appropriate change of the contract shall be deemed to have been agreed upon.
2. Delivery Times and Service Times
 - 2.1 All deliveries shall be made DDP to the delivery address. If nothing else is specified, the place of destination is our works in Bietigheim-Bissingen.
 - 2.2 The delivery or performance dates mentioned or otherwise agreed in our orders are dates for receipt of delivery/dates for successful performance and must be observed bindingly.
 - 2.3 Foreseeable delays must be made known to us immediately. The obligation of the Contractor to comply with the originally agreed delivery and performance times remain unaffected.
 - 2.4 If the contractor is in default, then we are entitled, irrespective of further claims for damages, and if nothing else has been agreed, to claim 1 % of the order value for

each beginning week of default, but a maximum of 5% of the order value. Pursuant to Article 341 of the German Civil Code, we reserve the right to impose this contractual penalty until final payment of sums contractually agreed; in the event of framework or long-term agreements, until the end of the delivery year, but at least within 14 days after acceptance of fulfilment.

3. Transfer of Risk

For purchase agreements, the risk shall not pass to us until we have received the goods; for work contracts, following express approval.

4. Prices

The agreed prices are fixed prices valid DDP (Incoterms 2010). If no destination is stated, the delivery address is our factory in Bietigheim-Bissingen.

5. Invoices and Payment

5.1 Unless otherwise agreed, invoices shall be issued to us in duplicate – the duplicate being identifiable as such – separately for each delivery or service. Invoices shall not be sent with the consignment.

5.2 Payment shall take place, as long as no other agreement is in force, under reservation of the correctness of the invoice with 14 days, with 3% discount or within 30 days, net. The deadline shall commence on our receipt of invoice, at the earliest however on acceptance of delivery or acceptance of performance or the occurrence of a specially agreed event for triggering of payment.

5.3 In the event of defects, we shall be entitled to delay payment of the invoice as appropriate until a complete explanation is provided and still demand discount following this period.

5.4 Upon our demand, deposits payable by us shall be covered by the Contractor by directly enforceable bank guarantee. The guarantee must be subject to German law and name Bietigheim-Bissingen as exclusive place of jurisdiction. Apart from this Article § 239 BGB shall apply. Unless otherwise agreed, the guarantee has to be returned respectively the amount of the guarantee reduced as soon or as far as we have received added value or property by deliveries or performances of the Contractor.

6. Quality

6.1 Deliveries and performances of the contractor have to comply with the agreed quality. As far as the quality is not agreed, it has to be suitable for the intended use, if specified in the contract, but must be at least suitable for the ordinary use and comply with a quality which is usual for deliveries and performance of the same kind and which we can expect according to the kind of deliveries and services. The Contractor shall install and maintain an appropriate quality assurance system in accordance with the latest technology as well as conform to all relevant standards and stipulations.

- 6.2 The Contractor must check not only our plans, drawings and other information as well as supplied or pre-determined by us materials and components, etc. and also the performances of other suppliers (to the extent that they concern him) for completeness, correctness and suitability for the envisioned purpose. If there are any reasons for objections, the contractor must inform us about these in written form. Should he fail to do so, we are entitled to warranty claims; damage claims for any other reasons remain unaffected. If we release technical documents of the Contractor in the course of the execution of the order, this does not exempt the Contractor from his obligation to deliver non-defective goods and faultless performance.
- 6.3 The Contractor is required to install and maintain a documented quality assurance system which corresponds with the latest state of the technology but at least conforming to DIN ISO EN 9001. If the Contractor knows that the goods are used in railway vehicles, he has to comply with the IRIS standards. Where aware of use in medical products the DIN EN ISO 13485 standard applies additionally. If no further requirements are agreed, the Contractor issues the usual records and shall document among other things, when, in what way and by whom the flawlessness of deliveries and performances was ensured. The records have to be held in safekeeping for 15 years and to be submitted to us on request.
- 6.4 The Contractor hereby gives his agreement for the carrying out of quality audits by us and/or our customers.
7. Faults, defects
- 7.1 If deliveries or performances are defective, we are entitled to all contractual and statutory claims.
- 7.2 If we demand subsequent performance, we have the right to choose the kind of subsequent performance, also in the case of contracts for work. Expenses necessary for the subsequent performance which have to be borne by the Contractor include also the costs for assembly and disassembly of the goods (including labour- and handling costs) as well as all logistics, transportation and packing costs.
- 7.3 If damaged parts are delivered, the Contractor shall have the opportunity to sort out the damaged parts and either repair or replace these at the Client's discretion. If the Contractor does not immediately effect sorting out, repair or replacement, the Client shall be entitled to return the entire consignment at the Contractor's expense and to claim subsequent performance or compensation, at his discretion. If, due to the sampling carried out, it can be expected that all parts of a delivery are defective, our rights to claim cover the whole shipment, even when it should turn out that only parts of the shipment are defective. Our right to refuse the acceptance of a partially defective shipment immediately remains unaffected (§ 266 BGB).
- 7.4 The guarantee period shall be at least 36 months from receipt of the delivery unless a longer deadline is provided for. The guarantee period for our claims will be suspended by our written notice of complaint as long as one or the other party to the contract rejects negotiations or the continuation of negotiations.
- 7.5 The deadline for examining and establishing defects (Article 377 and 381, paragraph 2 of the Commercial Code) for defects evident upon delivery is two weeks

from the date of receipt of the goods at the place of delivery. If a defect can only be found following special examination or testing or if it is a hidden defect, the deadline shall be two weeks from discovery of the defect. If a longer deadline is appropriate in individual cases, this shall apply. We are entitled to concentrate on deviations from identity and quality, as well as on easily detectable defects.

8. Product liability

If claims concerning product liability are made against us, the Contractor shall indemnify us for damages sustained (including costs of any recall action), insofar as he is responsible for the mistake leading to liability. The Contractor shall renounce any benefit of expiry unless we ourselves are able to claim expiry from the claimant.

9. Material provisions

9.1 Material provisions shall remain our property and shall be stored separately by the Contractor and only used for our orders. The Contractor shall be liable for damage or loss, even without fault.

9.2 We shall issue instructions for processing or reforming the material. We shall in any case become the owner of the newly produced objects. If external material is also processed, we shall become co-proprietor of the new object in the proportion of the value of our object to the other objects processed at the time of the processing.

9.3 In the case of a non-detachable connection with other items which are not our property, we are entitled to co-ownership of the newly manufactured item in the ratio of the value of the respective material provided by us to the value of items belonging to other parties at the time of connection. If the combination takes place in such a way that the component of the Contractor must be considered to be the main component, it is hereby agreed that the Contractor shall transfer co-ownership to us; the contractor will safe-keep the co-ownership for us. The above regulations apply if the contractor mixes or blends the objects provided by us with other objects.

9.4 The Contractor will insure the object in which we are entitled to sole or co-ownership, including the new object created by processing against property damage, loss etc.

10. Results, Property rights, rights of use

10.1 If constructions, developments, designs or similar services are part of the services to be provided by the Contractor, he shall be obliged to return to us all results, in particular, drawings for construction and manufacturing as well as documentation, user handbooks, etc. in electronic as well as in written form.

10.2 The development of software shall include in particular the delivery of the software in the source and object program form and the documentation of the program development and application; this also applies to later updates within the framework of a maintenance contract.

10.3 All items, samples, drawings, plans, models, tools and technical instructions given to the Contractor shall remain our property. The Contractor shall keep such items

confidential and return these to us upon demand at any time. Forwarding these to third parties or use for own purposes is not permitted

- 10.4 The same applies to moulds, tools, devices or other aids for the manufacture of the goods which are produced according to such documents or which are manufactured in total or partially at our costs. Modifications made to these objects may only be carried out with our prior written agreement. It is understood that the above mentioned objects will become our property (if reimbursement has been agreed upon its payment) and that these objects must be kept safe for us free of cost and in a proper manner. If we pay for the mentioned objects prior to completion, we already acquire title of the semi-finished product according to the beforementioned regulation.
- 10.5 The contractor undertakes to insure the objects which are mentioned in paragraph 10.3 and 10.4 and which are in our property against damages, loss etc.
- 10.6 In the cases referred to in paragraph 10.1 as well as for the software developed for us, according to paragraph 10.2, we have the exclusive right unlimited by time and space, to use the results or the software in all ways. Where relevant we are entitled to apply for patent rights; the contractor is obliged to provide us with all necessary information for the patent application.
- 10.7 If the Contractor makes improvements in connection with the order, we shall have a cost-free, non-exclusive user right regarding commercial use of the improvement and any patent

11. Privacy

The contractor is obliged to keep secret the information as well as knowledge about us provided to him, which he obtains in the framework of a business relationship and even beyond and not to use these in any other manner than is necessary for the business relationship. The same applies for the mentioned results in paragraph 10.1 and the software developed for us according to paragraph 10.2.

12. Continuing Delivery Obligation

- 12.1 The contractor is obliged to supply the goods as spare parts for a period of 10 years from termination of the series delivery agreement. If the Contractor is aware that the goods are to be installed in railway vehicles, the continuing delivery obligation mentioned in clause 1 will be extended for a further 25 to 35 years. To ensure this obligation the Contractor will keep the moulds, tools, devices and similar aids necessary for the manufacture of the goods, and store them carefully and insure them for the agreed period.
- 12.2 Subcontractors are to be bound accordingly.

13. Place of fulfilment, Place of Jurisdiction and Applicable Law

- 13.1 Place of fulfilment for deliveries and service of the contractor is the place where the delivery has to be supplied according to the order or where the work has to be performed. Unless otherwise agreed or if our services are affected, the place of fulfilment is 74321 Bietigheim-Bissingen.

- 13.2 As far as the contractor is a merchant or has no general place of jurisdiction in the Federal Republic of Germany, the state courts responsible for our location will be exclusively agreed as courts of jurisdiction. However, we are also entitled to pursue legal matters at any other legal place of jurisdiction.
- 13.3 The respective contractual relationship is exclusively subject to the right of the Federal Republic of Germany. The use of the UN right of selling is excluded.