

General Terms and Conditions

1. General

- 1.1 In addition to the provisions of the BGB, our sales activities are based on the following General Terms and Conditions. The ordering party's purchasing conditions do not apply to the business transactions performed with us, even if we do not expressly reject these terms.
- 1.2 The conclusion of a contract requires our written confirmation. Any subsequent amendments must also be made in writing.
- 1.3 Any design errors of orders made by telephone shall be borne by the ordering party.
- 1.4 If the ordering party uses abbreviations which are unknown to us, we shall not assume any liability for their use.

2. Delivery obligations

- 2.1 A pre-requisite for the delivery obligation is the absolute creditworthiness of the ordering party. If payment conditions are not met or circumstances become known which place serious doubt on the creditworthiness of the ordering party or a check or exchange cannot be cashed, all open accounts receivable shall be due immediately. If after the expiry of a reasonable subsequent period, payment is still not received, we shall be entitled to terminate the contract in writing and to stop the delivery as well as all previously performed deliveries.
- 2.2 The technical design shall be performed in accordance with DIN ISO 3269 unless otherwise specified by the ordering party in writing.
- 2.3 Partial deliveries are allowed.
- 2.4 In the case of custom-made orders, we shall reserve the right to make extra or reduced deliveries of 10%, even in cases where partial deliveries have already been made or will be made.
- 2.5 Unless otherwise specified in writing, call-up orders must be completely called up with 6 months after the end of the contractual period, without the necessity for a prior reminder including a deadline for collection. After the end of these 6 months, we shall be entitled, at our discretion, to either invoice the goods or to terminate the order.
- 2.6 Malfunctions or ipso jure shall entitle us to extend the delivery period for the duration of the operational interruption plus an extra subsequent period. Under some circumstances, our delivery obligations may be completely or partially cancelled. This also applies when the delivery has become impossible even when this is not our fault. The customer may demand that we state whether we want to rescind the contract or deliver within a reasonable period. An entitlement to damages of any kind due to a delayed delivery is excluded in all cases.

3. Offers

- 3.1 We only issue non-binding offers which are presented for immediate acceptance or rejection. The ordering party shall assume liability for ensuring that the use of submitted drawings, samples and similar tools do not infringe the rights of third parties and shall also ensure that we shall not be affected by any resulting disadvantages.

4. Prices

- 4.1 Our prices are based on the calculation documents which are valid at the time the order was accepted. Any services which are not expressly specified in the offer but which are necessary to complete the order or which were performed at the ordering party's request will also be billed. In the case of deliveries which are performed later than 4 months after the conclusion of the contract, we shall be entitled to demand a renegotiation of the price to cover wage and material cost increases which have occurred after the issue of the contract.
- 4.2 All prices are ex-works, excluding packaging. The shipping costs shall always be borne by the ordering party unless otherwise specified in writing. We shall deliver shipments with a value exceeding 1.000.00 Euros free-of-charge to the destination railway/town, including packaging.
- 4.3 A special shipping charge of 25.00 Euros per shipment will be charged for shipments below a

value of 350.00 Euros.

5. Delivery time

5.1 The delivery time is non-binding unless there is a written delivery guarantee.

6. Shipment and passage of risk

6.1 If, at the ordering party's request, we ship the sold item to a place other than the place of performance, the risk shall pass to the ordering party as soon as we have delivered the item to the transportation company, the freight haulage company or any other persons or institutions responsible for shipment. § 269 Par. 1 BGB shall always apply.

7. Warranty

7.1 The buyer must examine the delivered goods immediately on receipt and inform the vendor of any complaints or problems in writing within 14 days of receipt. In the event of hidden errors, he must notify the vendor in writing immediately after discovery and stop processing the item.

7.2 The buyer must provide us with samples of the non-conforming material for inspection purposes. If the buyer does not meet this obligation, he shall forfeit his warranty rights.

7.3 We are entitled to rework or supply replacement two or three times. If these improvements are unsuccessful, the buyer can apply his statutory warranty rights.

7.4 If the buyer returns goods to us that we have supplied and about which he has made a complaint without our express approval, he shall bear the risk and cost of the return shipment.

8. Payment terms and conditions

8.1 Our invoices must be paid within 30 days of the invoice date. Payment shall be made without deductions in German currency. We will provide a 2% discount on all payments which are made within 10 days.

8.2 However, this discount deduction does not apply if there are other older overdue invoices.

9. Reservation of title

9.1 We shall reserve ownership and the title of the supplied goods until all payments resulting from the contract have been made. If the supplied item is processed and in the event that the agreed payment conditions are not met, the buyer shall allow us to dismantle the items without any serious impairment of the items and shall reassign ownership of these objects to us. If the buyer infringes on our above-mentioned rights, he shall be liable to pay us damages. The cost of dismantling and any other costs shall be borne by the buyer. If delivered items are permanently attached to another item, the buyer shall assign to us any existing accounts receivable or part-ownership rights to the new object to the sum of the accounts receivable plus 10% security.

9.2 The buyer is not permitted to assign as security or pledge the reserved goods.

9.3 The buyer shall only be permitted to sell the reserved goods within the normal course of business in accordance with the following provisions:

9.3.1 If the buyer deferred the sales price on receipt, he must also reserve ownership of the sold goods to the same conditions under which we reserved ownership when delivering the reserved goods.

9.3.2 The buyer shall assign to us as security today the accounts receivable due from the sale of the goods with all secondary rights. The buyer is entitled to collect the accounts receivable which he has assigned to us until he receives other instructions from us. We will not collect the assigned accounts receivable as long as the buyer meets his payment obligations. The buyer shall undertake, at our request, to name the assigned third-party debtor and to inform him of the assignment; we are also authorised to notify him of the assignment.

9.4 If the buyer is over 2 weeks in arrears with payment which is due as a result of the business relationship or if he stops payments, we shall be entitled to demand the immediate return of the reserved goods. The application of the ownership reservation rights by us does not constitute the termination of the contract.

9.5 If the securities due to us on the basis of the afore-mentioned provisions exceed the accounts receivable which need securing by more than 20%, we shall, at our discretion, release securities

at the buyer's request to the sum of the exceeded amount.

10. Liability

10.1 Claims by the buyer based on a tort are restricted to cases of intent and gross negligence by us or our servants. Furthermore, our liability for damages of any kind, on whatever legal basis, is excluded unless we, our legal representatives or our servants, act with intent or gross negligence.

Slight colour deviations from the order are considered to be conforming to the contract. Technical improvements or necessary technical modifications are also considered to be conforming to the contract, unless they constitute a loss of value.

11. Place of performance and legal venue

11.1 The legal venue and place of performance is the location of our commercial office, insofar the ordering party is a businessman.

If the buyer is not a businessman, the legal venue is the hometown of the ordering party.

ARNOLD UMFORMTECHNIK GmbH & Co. KG