

The Client's conditions of purchase have sole application. Deviating conditions from the Contractor are not recognized by the Client except where the Client has expressly agreed to their validity.

#### I. Orders

Orders are only binding where they have been issued by the Client in writing. Documents used by the Contractor in the course of business with the Client must show: order number, commission number, factory, reception point, Ident. number, Object number, complete text of the article / description of the object, quantities and units of quantities and the VAT ID number (when importing from the EU).

#### II. Prices

The prices are fixed prices. They include everything which the Contractor has to effect in order to fulfill his contractual obligations.

#### III. Scope of services

1. The scope of services/deliveries includes the following:
  - the Contractor transfers to the Client the ownership of all technical documents (including those for sub-suppliers) as well as of all documents needed for the manufacture of new articles, maintenance and operation. These technical documents must be in the German language and must be prepared in accordance with the SI international system of units;
  - the Contractor transfers all usage rights which are required for the use of the materials and services provided by the Client or by Third Parties with due regard for any patents, additional protective certificates, trademarks, registered designs;
  - the Client has the unrestricted authority to carry out maintenance work and changes to the deliveries accepted, either itself or to have the same carried out by Third Parties; the Client also has the unrestricted authority to manufacture replacement parts itself or to have these manufactured by Third Parties.
2. Should there be deviations from the agreed scope of services/deliveries then the Contractor is only entitled to additional claims or changes in deadlines when a corresponding written extension agreement was concluded before implementing the deviation.
3. The quantities ordered are binding. The Client is entitled to reject excess deliveries at the cost of the Contractor.

#### IV. Quality

The Contractor is required to install and maintain a documented quality assurance system which is suitable in type and scope and which corresponds with the latest state of the technology. He must prepare records, in particular regarding his quality tests, and must make these available to the Client upon demand.

The Contractor herewith consents to quality audits by the Client or by the Client's agent to assess the effectiveness of his quality assurance system.

#### V. Delivery periods/Delivery dates

All agreed deadlines are binding. The provision of a service/delivery before the agreed deadline entitles the Client to refuse it until the due date. The Contractor is required to inform the Client in writing without delay of causes which lead to a deadline being exceeded.

#### VI. Delivery and storage

1. If a price is agreed "ex works" or "ex warehouse" then the Client will only accept the cheapest freight cost in each case.
2. The stated addresses for shipment are to be complied with. The delivery to a reception points other than the one stated by the Client does not affect any transfer of risk for the Contractor even if this point accepts the delivery. The Contractor is to bear the additional costs which the Client incurs through delivery being made to a point other than the agreed reception point.
3. Partial deliveries are to be marked as such; single copies of the delivery notes are to be submitted.
4. If an object has to be weighed then the weight determined by the calibrated scales owned by the Client shall prevail.
5. Where the Contractor has a right to the return of the packaging needed for the delivery then the delivery papers must contain a clear note regarding this. If such identification is missing the Client will dispose of the packaging at the Contractor's expense; in this case the right of the Contractor to the return of the packaging is extinguished.
6. The storage on the Client's premises of objects required for the provision of services is only permitted at the storage places indicated. The Contractor bears the full responsibility and risk for these objects until the transfer of risk.
7. During transportation the legal regulations are to be complied with, in particular the provisions of the law regarding the transport of hazardous materials and the applicable regulations on hazardous materials, including the related annexes and appendices.
8. Where shipment is by rail the declaration regarding the goods in the bills of lading must comply with the current valid regulations of the railway companies. Costs and damage which arise as the result of incorrect or missing declarations fall on the provider of the service.
9. The Contractor must arrange for the stated reception point to confirm the receipt of deliveries in writing.

#### VII. Cession

The Contractor is not entitled to cede the task of executing the contract or to cede his contractual rights to Third Parties, either in whole or in part, without the prior written agreement of the Client.

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The Contractor must provide the Client upon request with the names of his sub-suppliers.

#### VIII. Termination

1. The Client is entitled to terminate the contract either in whole or in part without giving reasons. In such cases the Client is obliged to pay for all deliveries and/or services provided up till that time and to make appropriate payment for all material procured and work carried out; in addition in such cases § 649, 2nd clause BGB (*German Civil Code*) applies. Any claims on the part of the Contractor beyond this are excluded.
2. The Client is also entitled to terminate where inter alia a claim has been made for an insolvency procedure to be opened which concerns the assets of the Contractor or where the Contractor stops the payments. The Client has the right to take over material and/or semi-finished goods including any type specific tools, at appropriate conditions.

#### IX. Issuing of invoices, payments, offsetting

1. Payment will be made in accordance with the agreement. A delivery which occurs before the agreed deadline does not affect the period of payment related to this deadline.
2. The Contractor may only offset undisputed or legally established claims.
3. The Client is entitled to offset against the claims which the Contractor has against the Client, all claims which Henschel Antriebstechnik GmbH is entitled to against the Contractor.
4. If no agreement was reached on payment then the invoice will be settled at the end of the month following the delivery, service and receipt of invoice.

#### X. Claims regarding liability for defects

1. The Contractor is responsible for ensuring that his delivery/service has the prescribed characteristics and fulfils the intended purpose of use.
2. The time limitation for defects liability claims begins with the complete delivery of the scope of deliveries and services or where an acceptance procedure has been agreed to, upon acceptance.
3. The legal limitation period for defects claims applies. For improved or replaced parts the period of limitation commences again. Where defects are notified within the limitation period then the limitation period expires at the earliest six months after notification of the complaint. The Contractor waives the excuse of a tardy notification of defect (§§ 377, 381, para. 2 HGB) (*German Commercial Code*) for other than obvious defects.
4. The Contractor must correct without delay all defects notified within the limitation period so that no costs arise to the Client. The costs for the correction of the defect or for substitute deliveries including all ancillary costs (e.g. freight) are to be born by the Contractor. Should the Contractor not begin to correct the defect without delay, or not carry out the service in accordance with the contract, or should the case be urgent, then the Client is entitled to have the required measures carried out at the cost of the Contractor. The legal rights to withdrawal, reduction or compensation for damages are unaffected.

#### XI. Place of performance / Place of jurisdiction

1. Place of performance for the deliveries and services is the point of reception specified by the Client.
2. Place of jurisdiction is the registered office of the Client or at the Client's choice the general place of jurisdiction of the Contractor.

#### XII. Applicable law

The law of the Federal Republic of Germany applies to all legal relations between the Client and the Contractor under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG) dated the 11.04.1980 in its currently valid version.

#### XIII. Ban on advertising/Confidentiality

1. The use of queries, orders and related correspondence from the Client for advertising purposes may only be made with the express and written approval of the Client.
2. The Contractor will keep confidential from Third Parties all operational processes, facilities, equipment, documents etc. at the Client and his customers which become known to him in the context of his activity for the Client, even after submission of the respective offer or completion of the contract. He will also impose corresponding obligations on his assistants and vicarious agents.

#### XIV. Partial invalidity

Should individual provisions of these conditions be partly or wholly invalid then the other part of these conditions remains fully valid.

#### XV. Data protection

The Client points out in accordance with § 33 BDSG (*Federal Data Protection Act*) that he will store data on the Contractor on the basis of the federal data protection act.