

General Terms and Conditions of Purchase

§ 1 Application

1. These terms and conditions of purchase shall apply exclusively to all deliveries, services and offers of the suppliers of CG Rail. The terms and conditions of purchase are an integral part of all agreements CG Rail concludes with the suppliers regarding the deliveries or services offered by them. Differing or contrary terms shall not apply except if expressly agreed upon in writing. These terms and conditions of purchase shall also govern all future transactions between the parties and shall also apply if CG Rail accepts delivery despite the knowledge of differing or contrary terms.
2. Terms and conditions of the suppliers or third parties shall not apply, even if CG Rail does not separately object to their validity in individual cases. Even if CG Rail refers to a letter which contains or refers to the terms and conditions of the supplier or of a third party, this does not constitute an agreement with the validity of those terms and conditions.
3. These terms and conditions of purchase shall only apply vis à vis entrepreneurs or governmental entities.

§ 2 Order, Acceptance, Agreement

1. Orders are placed by CG Rail exclusively in writing.
2. The supplier is obliged to accept this order in writing within a reasonable period of time, but at the latest within a period of two weeks.
3. Only the written declaration of acceptance in due time by the supplier shall establish a contractual relationship.
4. Written within the meaning of these terms and conditions means by e-mail or letter.

§ 3 Execution of the contract, Language of contract, right of instruction

1. Instructions, final agreements or final releases shall be made in writing according to para 2 number 4.
2. German shall be the contractual language for the business relationship with the supplier on the basis of this or future orders, if the supplier has its registered office in Germany. If the supplier is not based in Germany, the contractual language is English. All documents relating to the business relationship, in particular in accordance with section 3 number 1, shall be prepared and used in the applicable contractual language. If documents are written in several languages, the version in the applicable contractual language shall always prevail in the event of contradictions.
3. Instructions, agreements or releases relating to the contractual relationship shall only have a legally binding effect if they are issued by CG Rail. Any customers (end customer) or other third parties are not entitled to do so. Instructions, agreements or releases issued by third parties shall only be effective with the written confirmation of CG Rail.

§ 4 Prices, Payment

1. The price stated in the order is binding.
2. Unless otherwise agreed in writing, the price shall include delivery, packaging and transport to the delivery address stated in the order.
3. If, according to the agreement, the price does not include the packaging not only being provided on loan and the remuneration for the packaging is not expressly determined,

it shall be invoiced at the proven cost price. At the request of CG Rail, the supplier shall take back the packaging at his own expense.

4. The payment plan agreed in writing with the supplier and attached to the order shall apply.
5.
 - a) The order number, offer number, delivery quantity and delivery address shall be stated in all order confirmations, delivery documents and invoices. Shall one or more of these details be missing and shall the processing by CG Rail be delayed as a result within the framework of our normal business dealings, the payment periods specified in para 6 number 1 shall be extended by the period of the delay.
 - b) In addition, any taxes levied shall be expressly stated in all invoices. For these, the corresponding tax documents of the national authorities shall be enclosed or sent to CG Rail immediately upon our request.
 - c) If the supplier shall not provide these documents to CG Rail and if this alone shall cause CG Rail a tax disadvantage, the supplier shall be obliged to compensate this damage insofar as he is responsible for it.
6. In the event of default in payment, CG Rail shall owe default interest amounting to five percentage points above the basis interest rate pursuant to para 247 BGB (German Civil Code).

§ 5 Offset, Retention

CG Rail reserves all rights to offset or retain payment provided by applicable law.

§ 6 Delivery dates, delay in delivery

1. All delivery dates stated in the order or otherwise agreed upon are binding.
2. If the day of delivery can be determined on the basis of the agreement, the supplier shall be in default at the end of this day without any reminder by CG Rail being required.
If this date cannot be determined, CG Rail shall issue a reminder to the supplier setting a deadline. Upon expiry of this period, the supplier shall be in default.
3. In case of default in delivery CG Rail reserves all rights under applicable law. In particular, CG Rail shall be entitled to claim compensation in place of delivery and to exercise a right of withdrawal after the fruitless expiry of a reasonable additional period. If CG Rail demands damages, the supplier shall also be entitled to prove that he is not responsible for the breach of duty.
4. The supplier shall immediately inform CG Rail of any threatening or existing delay in delivery, the reasons for such delay and the anticipated duration of such delay. The foregoing shall not affect the occurrence of a default in delivery.
5. If the delay in delivery is due to the development of the prototype agreed between the parties, the right to adjust the delivery date after written notification of the imminent or occurred non-compliance with a delivery date shall be reserved.

If in this case the delay is solely in the sphere of the supplier and if he could have avoided it with reasonable efforts, CG Rail is entitled to demand a contractual penalty according to para 6 number 6.

6. In the event of delays in delivery, CG Rail shall be entitled, after prior written warning, to claim a contractual penalty of 0.5 % of the respective order value for each commenced week of delay in delivery but in maximum 5 %. The contractual penalty shall be set off against the damage caused by default to be compensated by the supplier.
7. The supplier is not entitled to make partial deliveries without prior written consent of CG Rail.

§ 7 Passing of Risk, Shipment

1. Unless otherwise agreed in writing, delivery shall be made free domicile to the delivery address specified in the order. The respective place of destination is also the place of performance (obligation to deliver).
2. The company named in the delivery address ("end customer") is entitled to accept the order on behalf of CG Rail.
3. Even if shipment has been agreed, the risk shall not pass to CG Rail until the goods have been handed over at the agreed delivery address.

§ 8 Liability, Warranty, Acceptance, Limitation period

1. CG Rail reserves all rights and remedies for non-conformity provided by applicable law. CG Rail is especially entitled, upon election, to claim remedy of defects or re-delivery of conforming goods. The right to compensation, in particular the right to compensation in place of performance, is expressly reserved.
2. In case of imminent danger CG Rail is entitled, after giving notice to the supplier, to remedy the defects at the supplier's cost.
3. CG Rail is obliged to inspect the goods for any deviations in quality and quantity within a reasonable period of time.

CG Rail is entitled to transfer the inspection to the end customer. The end customer carries out an inspection according to CG Rail's specifications and informs CG Rail about the result of his inspection.

The complaint according to para 377 HGB (German Commercial Code) shall be deemed to have been made in good time if it is received by the supplier within a period of 10 working days, calculated from receipt of the goods or, in the case of hidden defects, from discovery. In the event of periods of business interruption, the period for notification of defects shall be extended by the duration of such interruption.

The end customer shall not be entitled to give notice of defects or of the result of his inspection to the supplier, CG Rail alone shall be entitled to do so. Any direct instructions given by the end customer to the supplier shall have no binding effect without the written confirmation of CG Rail.

If the inspection is carried out by the end customer, the period of notice of defects shall not commence until CG Rail becomes aware of the defect.

4. CG Rail does not waive warranty claims by acceptance or approval of submitted samples, specimens or prototypes.
5. The limitation period for warranty claims shall be 36 months, calculated from the transfer of risk.

The statute of limitations for claims shall be suspended upon receipt of the written notice of defects by CG Rail until the supplier rejects the claims or declares the defect rectified or otherwise refuses to continue negotiations on the claims of CG Rail.

§ 9 Product Liability, Indemnification

1. Insofar as the supplier is responsible for a product damage, he shall be obliged to indemnify CG Rail against claims for damages by third parties on first demand insofar as the cause lies within the sphere of control and organization and he himself is liable in external relationship.
2. Within the scope of his liability for cases of damage within the meaning of para 9 number 1, the supplier is also obliged to reimburse any expenses pursuant to sections 683, 670 BGB (German Civil Code) as well as pursuant to sections 830, 840, 426 BGB (German Civil Code) which result from or in connection with a recall action carried out by CG Rail. As far as possible and reasonable, CG Rail shall inform the supplier of the content and scope of the recall measures to be carried out and give him the opportunity to comment. Other statutory claims shall remain unaffected.

§ 10 Defects of Title

1. In accordance with para 10 number 2, the supplier guarantees that products or materials supplied by him do not infringe any industrial property rights of third parties in countries of the European Union or other countries in which he manufactures the products or materials or has them manufactured.
2. The supplier is obliged to indemnify CG Rail against all claims asserted against CG Rail by third parties due to the infringement of industrial property rights referred to in para 10 number 1 and to reimburse CG Rail for all necessary expenses in connection with such assertion. This claim does not exist if the supplier can prove that he is neither responsible for the infringement of industrial property rights nor that he should have been aware of it at the time of delivery if he had exercised due commercial care.
3. Further legal claims due to defects in title of the goods delivered to CG Rail remain unaffected.
4. The limitation period for claims against the supplier in connection with infringements of industrial property rights is three years, calculated from the date of performance of the contract.

§ 11 Reservation of Title, Tools

1. CG Rail reserves the right of ownership or copyright to all orders, commissions and drawings, illustrations, calculations, descriptions and other documents placed at the supplier's disposal by CG Rail. Without the express consent of CG Rail, the supplier may neither make them accessible to third parties nor use or reproduce them himself or through third parties. He must return these documents at the request of CG Rail in their entirety if they are no longer required by him in the ordinary course of business or if negotiations do not lead to the conclusion of a contract. Copies thereof made by the supplier shall be destroyed in this case; the only exceptions shall be the storage within the scope of statutory storage obligations and the storage of data for backup purposes within the scope of normal data backup.
2. Tools and models which CG Rail makes available to the supplier or which are manufactured for contractual purposes and charged to CG Rail separately by the supplier shall remain the property of CG Rail or become the property of CG Rail. The supplier shall identify them as property of CG Rail, keep them in safe custody, protect them against damage of any kind to a reasonable extent and use them only for the purpose of the contract. Unless otherwise agreed, the costs of their maintenance and repair shall be borne by the parties. However, insofar as these costs are

attributable to defects in the objects manufactured by the supplier or to improper use by the supplier, its employees or other vicarious agents, they shall be borne solely by the supplier. The supplier shall notify CG Rail immediately about any but not only insignificant damages to these tools and models. Upon request he shall be obliged to return them to CG Rail in proper condition if they are no longer required by him for the fulfilment of the contracts concluded with CG Rail.

3. The supplier's retention of title shall only apply insofar as it relates to the payment obligation of CG Rail for the respective products to which the supplier retains title. In particular, extended or prolonged reservations of title are not permitted.

§ 12 Assignment

The supplier is not entitled to assign his claims from the contractual relationship to third parties. This shall not apply in the case of monetary claims.

§ 13 Secrecy

The secrecy agreement concluded with the supplier shall apply to all illustrations, drawings, calculations and other documents and information handed over to the supplier by CG Rail within the scope of the order.

§ 14 Compliance with laws, quality control, performance of audits, proof of company existence

1. In connection with the contractual relationship, the supplier is obliged to comply with the statutory provisions applicable to him in each case. This applies in particular to anti-corruption and money laundering laws as well as antitrust, labor and environmental protection regulations.
2. The supplier shall ensure that the products delivered by him meet all relevant requirements for placing on the market in the European Union and the European Economic Area. Upon request, he shall provide CG Rail with proof of conformity by submitting suitable documents.

3. The supplier shall make reasonable efforts to ensure that its subcontractors comply with the obligations contained in this para 14 which apply to the supplier.

4. CG Rail shall be entitled to carry out visits to the supplier's headquarter and production site at any time for the purposes of quality control and auditing. This also includes visits which are not announced by CG Rail or are announced by CG Rail three days in advance at the most. The supplier is also obliged to carry out or have carried out the "supplier audit" prepared by CG Rail.

5. At the request of CG Rail, the supplier shall demonstrate that he is registered in the register of companies existing in his country and maintained by a government agency.

§ 15 Data protection

1. CG Rail processes the data relating to the respective orders in compliance with the data protection regulations.
2. After complete delivery of the subjects of performance the supplier shall only be entitled to name CG Rail as a reference customer with the written consent of CG Rail.

§ 16 Applicable Law, Jurisdiction

1. Any contracts entered into between CG Rail and the supplier shall be governed by the laws of the Federal Republic of Germany under exclusion of the UN Convention on the International Sale of Goods (CISG).
2. If the supplier is a corporation, limited liability company or commercial partnership or otherwise operates a commercial business ("Kaufmann" within the meaning of para 1 (1) of the German Commercial Code) or is a legal entity or special fund organized under public law or has no general place of jurisdiction in the Federal Republic of Germany the courts in Dresden shall have exclusive jurisdiction in respect of all disputes arising out of or in connection with the relevant contract. In all other cases, we or the Customer may file suit before any court of competent jurisdiction under applicable law. Mandatory legal provisions concerning the exclusive place of jurisdiction for disputes shall not be affected by this provision.