General terms and conditions of purchase

of Vossloh Rolling Stock GmbH

1. Scope of validity, order placement

1.1 The contractual relationships between Vossloh Rolling Stock GmbH ("VR") and its contractors ("suppliers") for the purchase and delivery of movable items ("goods") via work and materials contracts and the provision of work services (collectively referred to as "Delivery/Service") are based exclusively on these General Purchasing Terms and Conditions ("PT&C"). VR does not accept any supplier terms and conditions which contradict or deviate from the PT&C unless VR has expressly agreed to the validity thereof in writing. Deviating supplier conditions are ruled out, even if the supplier refers to his own conditions in quotes, order confirmations and other correspondence with VR and VR does not object or unconditionally accepts the delivery/service. Changes and additions to the PT&C must be made in writing in order to be effective.

1.2 The content and scope of the order and the order confirmation can be transmitted between VR and the supplier in text format (§ 126 b BGB) without a signature.

1.3 If there are any differences between the order and the PT&C, the information in the order shall take precedence.

1.4 The PT&C only apply to entrepreneurs in the sense of § 14 BGB.

2. Implementation, documents and quality

2.1 The supplier must carry out the delivery/service personally, and may only transfer this work or essential parts thereof to third parties with VR's prior consent given in text form. VR may not unreasonably refuse this consent.

2.2 Each consignment of goods must be accompanied by a delivery note and the documents belonging to the goods, particularly safety data sheets, for example, and also the documents listed in the order. Otherwise VR is entitled to refuse to accept the goods.

2.3 The supplier shall provide his contractual delivery/service in standard commercial quality and in accordance the applicable industrial standards and regulations such as DIN, DVGW, VDE, VDI and/or equivalent German or European standards.

2.4 Changes to the product or changes to the delivery/service which result in changes to the specification, the drawings or the quality standards are only permitted with the prior consent of VR in text form.

3. Prices, invoice, payment

3.1 The price for the delivery/service shown in the order from VR is regarded as a binding fixed price. This also includes all costs which are incurred by the supplier in connection with the delivery of the goods to the destination, particularly the freight costs, the cost of packaging and preservation and also the cost of transport insurance; Additional claims are excluded; Calculation errors shall be at the supplier's expense.

3.2 The supplier's invoice must meet the statutory requirements. Invoices must be show the order number, order item, account assignment, receiving location, supplier number, part number, quantity and unit price per order item and be submitted separately from the goods deliveries. Down payments and payments made on account must be shown individually on the invoice.

3.3 Supplier invoices are only due and payable if they meet the requirements of Section 3.2 as well as the following requirements:

(I) the delivery/service must be proper and complete;

(II) successful acceptance by VR in the case of legally required or mutually agreed acceptances;

(III) provision of the agreed securities;

(IV) receipt of proof of quantity and quality, provided that these are a part of the scope of delivery.

3.4 The payment periods for invoices payable are as follows

(I) within 10 days from fulfilment of the maturity conditions specified in sections 3.2 and 3.3 with a 3% discount;
or
(II) on the 25th of the following month with a 2% discount if the maturity conditions specified in sections 3.2 and 3.3 were fulfilled in the previous month;
or
(III) within 60 days from the fulfilment of the maturity conditions without deductions.

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In the event of early fulfilment of the maturity conditions by the supplier, the agreed date of the delivery/service is decisive for calculating the payment periods.

4. Delivery dates, delays, lumpsum compensation

4.1 The agreed delivery/performance dates are fixed and must be adhered to. Partial performance and early deliveries/performance are only permitted with VR's prior consent in text form.

4.2 In the event of any threatened exceeding of delivery/performance dates, the supplier is obliged to inform VR immediately in text form, specifying the reasons and providing proof of the reasons for the delay and indicating the expected duration of the delay. The Supplier's obligation to comply with the agreed dates shall not be released thereby.

4.3 If the supplier fails to comply with his obligation to notify in accordance with Section 4.2, it will be assumed that he is responsible for the delay. The supplier is entitled to refute this assumption.

4.4 If the supplier is late with delivery, VR is entitled to demand lumpsum compensation of 0.25% for each day of the delay, up to a maximum of 10% of the net invoice value of the order that is affected by the delay. If the supplier can prove that no damage or significantly less damage has occurred than the flat rate determined in accordance with Section 4.4 Clause 1 as a result of the delay, this shall not be applicable or shall be reduced accordingly. Other compensation claims by VR resulting from the delay remain unaffected. Any lumpsum compensation paid by the supplier shall be offset against other compensation claims.

4.5 If the supplier exceeds delivery/performance dates, VR can either demand fulfilment of the contract at a later date without entitling the supplier to assert any claims arising from this, or withdraw from the contract after fruitless expiry of a reasonable grace period.

4.6 Unless otherwise specified in the order, deliveries must be made free of charge and to the respective VR branch which placed the order.

4.7 If it is impossible or unreasonable for VR to accept the delivery/performance at the agreed receiving location as a result of force majeure, including labour disputes, or for other reasons for which VR or its vicarious agents are not responsible, VR is entitled to request the delivery/performance to a different, newly specified receiving location against reimbursement of any additional costs which the supplier can prove that he has incurred.

5. Packaging of the goods, transfer of risk

5.1 The Supplier shall conserve and pack the goods professionally at its own expense in accordance with the packaging instructions available on VR's website at https://www.vl-rs.com/en/general-shipping-an-packaging-instructions.html. Upon VR's request, the supplier must collect and dispose the packaging material at his own expense.

5.2 The property and the price risk shall only be transferred to VR upon delivery of the goods; until this point in time, the risk of accidental loss shall be borne by the supplier.

6. Obligation to inspect and obligation to give notice of defects

6.1 VR shall not be obliged to inspect and/or give notice of defects until the delivery/performance is complete. The acknowledgement that a delivery is complete requires the provision of the documents mentioned in Section 2.2.

6.2 The supplier acknowledges that a random inspection of a representative part of the goods by VR satisfies the obligation to inspect the delivered goods. The inspection extends to the externally recognizable character and completeness of the goods. A notice of defects shall be regarded as on time if it is submitted within 2 (two) weeks; with regard to obvious and visible defects, this period begins with complete delivery, and for all other defects the period starts as soon as they are discovered.

6.3 If acceptance is required by law or by agreement, the relevant legal requirements and periods shall apply.

6.4 The supplier must collect goods that are rejected by VR at his own expense. VR is entitled to charge reasonable storage costs until the goods are collected. After the expiry of a reasonable period, VR is entitled to return the goods to the supplier at the supplier's expense. Replacement deliveries/performances shall be at the supplier's expense.

7. Warranty, statute of limitations, inhibition

7.1 VR is entitled to the full scope of statutory warranty claims; In any case, VR is entitled, at its own discretion, to demand either the rectification of defects or a replacement delivery from the supplier. VR expressly reserves the right to claims for damages.

The supplier also guarantees that the rights of third parties, particularly proprietary rights such as patents, trademarks, utility models and copyrights, are not infringed by or in connection with his delivery/

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performance, including the provision of documents (section 13.3), and furthermore that the delivery/performance complies with official and legal requirements as well as the relevant occupational safety and accident prevention regulations, even if it is a customised product.

7.2 If VR has given notice of the defect and if it is not possible for the supplier to remedy the defect because of the urgency, VR is entitled to remedy the defect itself at the supplier's expense. VR will inform the supplier immediately in text form of this selfremedy.

7.3 The statute of limitation for claims within the meaning of Section 7.1 shall be 36 months from the date of acceptance, unless a longer period is stipulated under statutory law. The statute of limitations begins earliest at the time of the transfer of risk (Section 5.2).

8. Obsolescence

8.1 The supplier shall inform VR if components, modules or parts are no longer used or manufactured in the future, so that VR has the option of requiring a quantity to be agreed between the parties for the supply of spare parts at market prices from the supplier as a last order at market conditions. The supplier also undertakes to supply VR with spare and reserve parts for a period of 15 years from the order. If components, modules or parts are no longer available, the supplier shall offer VR substitute products. The substitute products must comply with the current recognised rules of technology and be compatible with the interfaces of the adjacent components of the vehicle. The prices and delivery times shall apply in accordance with the price list valid at the time of the order.

9. Product liability

9.1 Insofar as the supplier is responsible for a product liability case, he is obliged to indemnify VR from third-party claims for damages if the cause lies within the supplier's area of control and organisation.

9.2 Within the scope of his liability for damage within the meaning of Section 9.1, the supplier is also obliged to prepay and reimburse all expenses and costs arising from or in connection with a product recall carried out by VR.

9.3 The supplier is obliged to maintain product liability insurance with a minimum coverage of €10 million each for personal injury and damage to property for the period from the respective delivery/performance to the expiry of the statute of limitations for VR's warranty claims, and provide proof thereof upon VR's request.

10. Retention of title in favour of the supplier

10.1 A retention of title by the supplier requires the explicit consent of VR. The consent is subject to the condition that the retention of title expires once the agreed remuneration for the goods to be delivered ("reserved goods") has been paid and VR is entitled to sell the reserved goods in the ordinary course of business even before payment.

10.2 In order to protect the supplier in the event of resale of the reserved goods – also following the processing thereof – VR hereby assigns its payment claim against the customer arising from the resale of the newly manufactured product using the reserved goods to the amount of the invoice value of the reserved goods delivered by the supplier in the event of an effective agreement of a retention of title to the supplier. If VR's payment claims against the customer are included in a current invoice, the assignment relates to the relevant part of the balance from the current account, including the final balance.

10.3 The supplier hereby assigns the claims assigned in accordance with Section 10.2 back to VR, subject to the condition precedent that VR pays the supplier the agreed remuneration for the respective reserved goods.

10.4 VR remains authorized to collect the payment claims assigned to the supplier in accordance with Section 10.2. A revocation of the authorization by the supplier is only effective if and as long as VR violates its own payment obligations from the transaction, underlying the delivery of the respective reserved goods. Under this condition, the supplier can also demand that VR informs him of the assigned claims and the identity of the debtor, and notifies the debtor of the assignment.

11. Reserved parts, coownership, tools

11.1 If VR provides the supplier with parts for the delivery/performance, VR shall retain the ownership thereof ("reserved parts"). Processing or transformation by the supplier is carried out for VR. If reserved parts are processed together with other objects, VR shall acquire co-ownership of the new object in the proportion of the value of the reserved parts (purchase price plus sales tax) to the value of the other objects at the time of processing.

11.2 If reserved parts are inseparably connected or mixed with other items, VR shall acquire co-ownership of the new item in the proportion of the value of the reserved parts to the value of the other connected or mixed items at the time of connection/mixing.

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11.3 Before processing, transforming, connecting or mixing the reserved parts, they must be stored separately from other goods by the supplier, insured against damage caused by fire, water, theft and vandalism and marked as the property of VR. If processing, transformation, connection or mixing takes place in such a way that the new item is to be regarded as the main item, it is agreed that the supplier shall transfer proportionate co-ownership to VR and keeps the new item safe for VR.

11.4 Tools provided by VR remain the property of VR. The supplier is obliged to use the tools exclusively to process the order from VR and to insure them at his own expense against fire, water, theft and vandalism according to the replacement value notified by VR. At the same time, the supplier shall assign all compensation claims arising from this insurance to VR, and must notify the insurer of this at VR's request. VR hereby accepts the assignment. The supplier is obliged to carry out all of the necessary servicing and inspection work as well as all of the maintenance and repair work on the tools in good time and at his own expense. Any incidents must be reported to VR immediately in text form. If the supplier culpably fails to notify VR, he is obliged to pay damages to VR.

11.5 Insofar as the total security rights (co-ownership rights) to goods to which VR is entitled in accordance with Sections 11.1 to 11.3 exceed the payment claims of the supplier for the goods concerned by more than 10%, VR shall release the security rights to the value of the exceeding amount at the supplier's request.

12. Offsetting, right of retention, assignment of claims

12.1 The supplier is only entitled to offset against claims from VR if his claim is undisputed, ready for a decision or has been legally established. The same applies to the supplier's rights of retention and/or refusal to perform.

12.2 VR is entitled to offsetting and retention rights to the extent provided by law.

12.3 An assignment of claims by the supplier from the business relationship with VR requires VR's written consent in order to be effective. However, approval is deemed to have been granted in accordance with Section 10 if the claim is assigned as part of an extended retention of title which the supplier has agreed with his subsupplier. § 354a HGB remains unaffected.

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13. Handling of drawings, models, samples etc.

13.1 Drawings, models, samples, construction documents, etc. (“Documents”) which are made available to the supplier remain the property of VR. These must be stored carefully by the supplier and insured against damage caused by fire, water, theft and vandalism. They may only be used by the supplier to process the order from VR, and must be returned to VR by first request, no later than immediately after the delivery/service has been performed, without separate request. This also applies to drawings prepared by the supplier in accordance with VR’s specifications. Duplication or reproduction of the documents is prohibited – even after the contractual relationship with VR has ended.

13.2 The documents belonging to the order are binding for the supplier, but he must check them for any discrepancies or errors and inform VR immediately in text form of any errors that are discovered or suspected. Otherwise the supplier cannot invoke recognizable discrepancies or errors in order to relieve himself against VR.

13.3 VR may keep the documents provided by the supplier and is entitled to duplicate them and use them for sale, rental, maintenance and training relating to the goods as well as VR products, and also for other purposes by agreement.

14. References, advertising

The supplier is not entitled to use information about an intended or existing cooperation for reference and marketing purposes without prior written consent from VR. The taking of photographs of VR products or on VR sites, as well as publications of any kind in this respect are also prohibited without prior written consent from VR.

15. Confidentiality

15.1 All technical and economic data made known to the supplier by VR must be kept strictly confidential unless it is already generally known or has become known without a breach of contract by the supplier or a third party. This data may only be used within the scope of the initiation or processing of contractual relationships with VR, and may only be made accessible to those employees whose participation in connection with this is essential in accordance with the supplier’s operational circumstances. The supplier shall oblige these employees to maintain secrecy in accordance with sentences 1 and 2. By request of VR, the supplier must provide written proof of the declaration of confidentiality entered into by these employees.

15.2 If the supplier engages a sub-supplier, he is only entitled to pass on the data mentioned in Section 15.1 sentence 1 with the prior written consent of VR. The sub-supplier must be obliged by the supplier to keep the data confidential in accordance with Section 15.1. By request of VR, the supplier must provide proof of written declarations of confidentiality from the sub-supplier and its employees.

16. Data protection

Personal data is processed by VR to the extend it is necessary to fulfil legal obligations and to protect legitimate interests and if the interests or fundamental rights and freedoms of the person concerned, which require the protection of personal data, are not outweighed.

17. Applicable law, place of jurisdiction, place of performance

17.1 The law of the Federal Republic of Germany applies, excluding the CISG (United Nations Convention on Contracts of the International Sale of Goods) and the conflict of law provisions. The Incoterms 2020 apply to the interpretation of the delivery clauses.

17.2 The exclusive place of jurisdiction is Kiel, Germany.

17.3 The place of performance is the place of business of VR.

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