General Terms of Purchase

Bachmann GmbH

§ 1 Scope; General information

(1) The following conditions apply to contracts for the delivery of goods entered into between us (Bachmann) and the Seller. They also apply to contracts whose emphasis lies in the sales contract area. They also apply to all future business relations, even if they are not explicitly agreed upon at the time.

(2) Our Terms of Purchase apply only toward companies in accordance with § 310(1) of the German Civil Code (BGB).

(3) Our Terms of Purchase will apply exclusively. We will not acknowledge any of the Seller's conditions that oppose or deviate from our Terms of Purchase unless we have expressly agreed to their application in writing. Our Terms of Purchase will apply even if we know that they oppose or deviate from Seller's conditions but accept Seller's delivery without reservations anyway.

(4) All agreements made between us and Seller to execute the contract are set forth in writing in the purchase contracts and in these conditions.

§ 2 Offer; Offer documents; Contract conclusion

(1) When making an offer, Seller generally ensures that the offer will remain valid for 90 days beginning with the offer date.

Other periods of commitment are invalid unless agreed with Bachmann in writing or expressly requested by Bachmann.

(2) We reserve the copyright and ownership rights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without our express written consent. They must be used only to produce our order and must be returned to us on request after the order has been processed. They must be kept secret from third parties.

(3) An order will not be deemed issued until we have written and signed it, unless the parties have agreed to letters of contract or order letters as part of system technology. We will not be bound by orders granted orally or over the phone unless we have confirmed them by subsequently transmitting a written order. Drawings specified by us on a case-by-case basis, including tolerance information, will be binding. By accepting the order, Seller acknowledges that it has learned about the type of execution and scope of services by inspecting the available plans. We will not be bound by any obvious errors, typos or miscalculations in the documents, drawings or plans we present.

In this case, Seller shall inform us about the error without undue delay so that our order can be corrected and reissued. This also applies to missing documents or drawings, etc.

Deviations in quantity or quality compared to the text and content of our order and subsequent contract amendments will not be deemed agreed until we have expressly confirmed such deviations in writing.

§ 3 Delivery period

(1) The delivery period indicated in the order is binding. The delivery periods and deadlines begin to run on the date of the order. The goods must arrive at the receiving location we have indicated within the delivery period or on the delivery deadline. Seller shall inform us in writing without undue delay if circumstances occur that will prevent the delivery period or delivery deadline from being adhered to, or if Seller realises that this will be the case. If delays are expected (meaning that entire or partial deliveries will not be made on time), Seller shall also inform us thereof in writing without undue delay (including the reasons and anticipated length of the delay), so that any damages we might incur can be avoided or restricted and we can decide whether we wish to maintain the contract.

(2) If delivery is late, we will be entitled to the statutory claims.

(3) In addition, after issuing due warning we may demand a contractual penalty of 0.5% of the net order value for each week or part thereof, up to a maximum of 5% of the net order value. The contractual penalty paid will be credited to any claim for damages.

Seller shall pay the contractual penalty only if that party is guilty of culpable conduct.

(4) We are not obligated to accept the goods before the delivery period or delivery deadline expires.

§ 4 Delivery; Packaging; Waste

(1) Unless otherwise agreed in writing, the delivery must be made FOB. Seller shall bear all costs and expenses associated with delivery. These include transport and acceptance costs, customs, and other fees under public law (road tolls, etc.), even if they are not incurred until after the contract has been concluded.

(2) Risk will pass to us only when the delivery is accepted at our receiving location, or to the receiving location we have specified.

(3) Packaging is included in the price. Seller shall select the packaging we have prescribed and ensure that the packaging protects the goods against damage.

Seller shall take back all the containers and packaging it delivers, including all covering transport, sales and outer packaging, as well as means of transport.

Seller shall ensure at its expense that all packaging and means of transport are picked up from our premises or from a location we specify, without undue delay at our request. If Seller fails to comply with its obligation to pick up those items within ten days after receiving our request, we may have the containers, packaging and means of transport removed at Seller's expense.

Otherwise, the Packaging Ordinance as amended will apply to that extent, as well as the relevant statutes, ordinances and guidelines.

The aforementioned obligations also extend to all environmentally hazardous waste from the goods delivered by Seller.

For the purposes of this provision, "waste" means all waste, particularly for the purposes of the German Recycling and Waste Act as well as the guidelines and ordinances that supplement it and the corresponding guidelines of the European Communities.

If we provide packaging materials, they will be handed over from our warehouse. Risk of accidental loss will pass to Seller when the packaging materials are handed over and picked up..

(4) We will not be liable for damages to the containers, packaging or other means of transport to be taken back by Seller unless we have expressly agreed that they will be transferred back to us, and even then only if we or one of our vicarious agents caused the damages or loss due to gross negligence or wilful misconduct.

(5) Therefore, we will not be liable for a insignificant, negligent breach of this minor contract obligation. Please note that the above limitation of liability does not apply if bodily injury is associated with the damages to the containers, packaging and other means of transport. In this case, we shall be liable to the full extent in accordance with statutory provisions.

§ 5 Insurance

(1) Seller shall take out liability insurance and maintain it at least until the end of the warranty obligation. That liability insurance must provide coverage of at least five million euros per incident of personal, material or pecuniary damages, unless other amounts are prescribed in the order.

(2) Moreover, we may demand that Seller take out additional insurance such as transport insurance, assembly insurance, guarantee insurance, etc., and maintain them for the appropriate period. The insurance policies must name us as a co-insured party. The type and scope of the insurance will be specified in the orders.

(3) We will not assume any costs for insuring the goods, especially costs for forwarding insurance.

(4) Seller's insurance policies may not allow the insurance company any right of recourse against us. Seller shall obligate its insurance company to notify us, in writing and without undue delay, of any change in the insurance contracts that occurs during the agreed term and impairs the insurance coverage.

(5) Seller shall submit to us, along with the order confirmation at the latest, proof of coverage regarding all demanded insurance policies. We may demand that Seller inform us at regular intervals about the continued existence of the insurance policies and verify that existence by submitting appropriate documents.

§ 6 Documents

Seller shall indicate the order number, the delivery note number, the Bachmann part number, the quantity per package and the delivery date on all shipping documents, delivery notes and packaging, failing which we will not be responsible for delays in processing.

Single copies of the invoices, delivery notes and packaging slips must be included in each consignment. As described above, these documents must contain the order number, the quantity and quantity unit, the gross, net and possibly calculated weight, the article description, our article number and, for partial deliveries, the appropriate residual quantity.

§ 7 Prices; Payment Conditions

(1) The agreed prices are fixed prices unless Seller reduces its prices in question overall (and unless otherwise expressly set forth and agreed). Seller shall not offer us prices or conditions that are less favourable than those granted to other buyers, if and to the extent that those buyers offer Seller the same or equivalent conditions in the specific case.

(2) Prices do not include the respective statutory VAT.

(3) Payments will be made only after the defect-free goods have been received in their entirety, or complete, defect-free performance has been rendered, and after the invoice has been received. This applies mutatis mutandis to partial deliveries. Delays caused by incorrect or incomplete invoices will not impair any discount periods or similar preferential terms of payment.

Invoices can be processed only if they have been issued in accordance with the provisions in our order (designated order no.); Seller shall bear all consequences due to failure to comply with this obligation unless Seller proves it was not to blame. (4) We are entitled to the statutory rights of retention and set-off to the full extent.

We may assign any or all claims under the purchase contract without Seller's consent. Seller shall obtain our written consent before assigning to third parties any claims arising from the contractual relationship.

Payments must be made only to Seller. Payments will not be deemed acknowledgement that the delivery or service is contractual.

(5) Unless otherwise agreed, the payment conditions will be as follows:

Bachmann standard payment conditions are 14 days 3% / 45 days net.

Payment will be made in the next payment run following the due date, with a means of payment to be selected by Bachmann.

(6) If we make prepayments, payments on account or instalments, we may make them contingent on the Seller providing a security in the same amount through a bank guarantee, etc.

§ 8 Inspection and liability for defects

(1) We shall inspect the goods within a reasonable period for any deviations in terms of quality or quantity. The notice of defect is considered sent on time if Seller receives it within a period of five business days starting from the goods receipt or, for hidden defects, from their discovery.

(2) We are entitled to the full statutory warranty claims; in any case, we may demand that Seller cure the defect or deliver a new item, at our discretion. The right to damage compensation, especially in lieu of performance, remains expressly reserved.

(3) We may address the defect ourselves at Seller's expense if there is imminent danger or the situation is urgent. In such cases, however, we shall point out the defect to Seller so Seller can determine if a defect does in fact exist.

(4) The statute of limitations is 36 months from the transfer of risk.

(5) Defect claims also exist if there is only a minor deviation from the agreed quality or minor impairment of usability.

(6) If a material defect is discovered within six months after risk is transferred, it will be assumed that the goods were already defective when the risk was transferred unless this assumption is incompatible with the type of item or type of defect.

(7) Please note that the regulations in the quality assurance agreement

will be decisive in addition to the above regulations.

§ 9 Seller's liability; Insurance protection; Product liability; Indemnification

(1) If third parties assert claims against us due to product damage for which Seller is to blame, Seller shall indemnify us on first request from all third-party claims, including the necessary costs for defence against those claims, if Seller has deemed the cause to lie within its sphere of authority and organisation.

(2) As part of its liability for incidents of damage for the purposes of paragraph 1, Seller shall also reimburse any expenses in accordance with §§ 683, 670 BGB or in accordance with §§ 830, 840, 426 BGB, that result from or in connection with a recall action we have carried out.

(3) We shall inform Seller as much as possible about the content and scope of the recall actions to be carried out and give that party an opportunity to state its position.

This will not affect other statutory claims.

(4) Seller shall maintain product liability insurance with an insured lump sum of ten million euros per incident of personal or material damage; if we are entitled to further damage compensation claims, they will remain unaffected.

§ 10 Prohibition and declaration of ingredients

(1) Supplier shall use only materials that comply with the statutory safety requirements and provisions, especially for restricted, toxic, and hazardous substances. The same applies to protective provisions benefiting the environment and regulations regarding electricity and electromagnetic fields.

That obligation includes all national, European and worldwide applicable legal regulations.

§ 11 Protective rights

(1) Seller ensures that its delivery will not breach any third-party rights.

(2) If third parties assert claims against us for that reason, Seller shall indemnify us against such claims on first request; we may not enter any agreements (especially any settlements) with the third parties without Seller's consent.

(3) Seller's obligation to indemnify refers to all expenses that we incur from or in connection with the assertion of claims against us by third parties.

(4) The statute of limitations in this regard is ten months from contract conclusion.

§ 12 Retention of title; Indemnification; Tools

(1) If we order parts from Seller, we will retain the title to those parts. Any processing or transformation by Seller will be carried out on our behalf. If the goods whose title we have reserved are processed with other goods not belonging to us, we will acquire co-ownership of the new item in proportion of the value of our items (purchase price plus VAT) to the other processed objects at the time of processing.

(2) If the goods we have provided are inseparably mixed with other goods not belonging to us, we will acquire co-ownership of the new item in proportion of the value of items whose title has been retained (purchase price plus VAT) to the other mixed objects at the time of mixing. If the mixing occurs in a manner so that Seller's item is deemed the main item, it is agreed that Seller shall transfer proportional coownership to us; Seller shall keep the sole or joint ownership in safe custody on our behalf.

(3) We reserve the title to tools; Seller shall use the tools exclusively to manufacture the goods we have ordered. Seller shall promptly maintain, inspect, repair and service our tools at its expense as needed. Seller shall inform us about any disruptions without undue delay; if Seller culpably fails to do so, damage compensation claims will remain unaffected.

(4) If the security rights to which we are entitled under paragraphs 1 or 2 or both are over 10% greater than the still-unpaid purchase price for all the goods whose title we have reserved, we shall at Seller's request release the security rights of our choice.

§ 13 Non-disclosure

(1) Seller shall treat all the illustrations, drawings, calculations and other documents and information it obtains as strictly confidential.

(2) They may be disclosed to third parties only with our express consent.

(3) The non-disclosure obligation will survive the execution of this contract; it will expire if and to the extent that the production knowledge contained in the surrendered illustrations, drawings, calculations and other documents becomes generally known.

(4) Seller shall treat our orders and all associated commercial and technical details as business secrets.

§ 14 Indemnification against advertising statements; Liability

(1) Seller shall indemnify us against claims that its customers assert based on advertising statements made by Seller, its upstream suppliers or a vicarious agent of one of the aforementioned and that would not exist (at least not in this type or amount) without the advertising statement.

(2) This regulation will apply whether the advertising statement is made before or after this agreement is concluded.

§ 15 Data protection

(1) Seller agrees that the data concerning Seller that we obtain as part of the business relationship will be processed using EDP, stored, and made available to our affiliated companies.

(2) This applies only if we need the data in question within the scope of contract execution. Moreover, we shall comply with the provisions of data protection law.

§ 16 Force Majeure

(1) War, civil war, export or trade restrictions due to a change in political circumstances, as well as strikes, lockouts, operational breakdowns or restrictions and similar events that make it impossible or unreasonable for us to fulfil the contract will be deemed Force Majeure and release us from our obligation of timely acceptance for as long as they continue.

(2) We shall inform Seller thereof without undue delay. We and Seller shall then adjust the corresponding obligations to the altered circumstances in good faith.

§ 17 Venue; Place of performance; Applicable law; Severability clause

(1) Our registered office will be the venue, but we may also sue Seller at the court of its domicile.

(2) Unless otherwise set forth in the order, our registered office will be the place of performance.

(3) All business transactions with Seller will be subject exclusively to the law of the Federal Republic of Germany. The provisions of the UN Convention on Contracts for the International Sale of Goods (CISG) shall not apply. Seller's choice-of-law clauses are hereby expressly excluded. This especially applies to choice-of-law clauses that would prevent the application of the law of the German Civil Code that has applied since 1 January 2002. Thus, in addition to the Terms of Purchase, the Act on Modernising the Law of Obligations that took effect on 1 January 2002 will apply.

(4) Finding a provision of this contract or these conditions to be invalid or unenforceable, in part or in full, will not invalidate or render unenforceable any other provision of this contract or these conditions. The invalid or unenforceable provision will be replaced by a valid, enforceable provision that comes closest to the economic purpose the Parties were pursuing with the replaced provision.