

Version: March 2020

**GENERAL DELIVERY AND PAYMENT CONDITIONS
OF WERMA Signaltechnik GmbH + Co. KG
– Germany –**

1. Scope of validity

- 1.1. These general delivery and payment conditions (GDPC) apply to all purchase contracts of WERMA Signaltechnik GmbH + Co. KG with purchasers whose relevant place of business is in the Federal Republic of Germany. The location of the branch concluding the contract in its own name is always the relevant place of business.
- 1.2. The GDPC applies exclusively to contractors, legal persons under public law or separate estates under public law. A contractor is any natural or legal person or private limited company with legal capacity exercising their commercial or independent professional activity on concluding the contract.
- 1.3. The GDPC applies to all of our quotations and deliveries. It also applies to all future contracts with the purchaser, even if not explicitly and separately stipulated.
- 1.4. Contrary provisions or provisions deviating from the provisions of the GDPC in the purchaser's general terms and conditions only apply if we have expressly agreed their validity in writing (e.g. in hard copy or email).
- 1.5. If we and the purchaser agree upon provisions that deviate from the individual conditions of this GDPC, the validity of the remaining provisions of this GDPC remain unaffected.

2. Conclusion of contract, tender documents

- 2.1. Our quote is non-binding.
- 2.2. Illustrations and drawings related to our goods in brochures, advertising materials and price lists and the data contained therein, e.g. related to materials, dimensions and forms, are subject to amendments and errors unless these are expressly declared to be binding.
- 2.3. The documents related to the offer do not constitute a guarantee of quality and durability.
- 2.4. Our documents are only intended for the purchaser and must not be passed on to third parties without our agreement.
- 2.5. The purchaser is bound to an order two weeks after we receive the order.
- 2.6. The contract takes effect either on submission of our order confirmation in written form (e.g. email or hard copy) or when the order is fulfilled, depending on which occurs first.

3. Changes

- 3.1. We reserve the right to make changes to the goods for the purpose of technical improvement.

4. Delivery periods and unavailability of goods or services

- 4.1. The delivery period is agreed individually or stated by us on acceptance of the purchase order. If this is not the case, the delivery period is 2 weeks from contract conclusion.
- 4.2. Subject to the following clause (4.3), the delivery period begins when we send the order confirmation.
- 4.3. If the purchaser is obliged to obtain certain documents themselves, such as permits, approvals etc., or to make a down payment, the delivery period begins at the earliest when we have received all documents that the purchaser must obtain or we have received the appropriate down payment.
- 4.4. Depending on the agreed delivery type, the delivery period is satisfied if the goods have left the warehouse or we have prepared the goods for the purchaser and notified the purchaser that the goods are ready for shipment by the time the delivery period expires.
- 4.5. If we are unable to adhere to binding delivery periods for reasons for which we are not responsible (unavailability of goods or services), we will inform the purchaser of this fact promptly and notify them of the estimated new delivery period at the same time. If the goods or services are still not available within the new delivery period, we are entitled to withdraw from the contract entirely or partially; we will promptly refund any payments already made by the purchaser. In this sense, the unavailability of goods or services particularly refers to failure of our suppliers to deliver to us on time through no fault of our own or that of our suppliers if we have concluded a related transaction or if we are not obliged to purchase the items in individual cases.
- 4.6. The following, in particular, shall be deemed to be impediments in accordance with clause 4.5:
 - a) force majeure, e.g. mobilisation, war, acts of terrorism, riot, epidemics or similar events (e.g. strike, lockout).
 - b) virus and other attacks by third parties on the IT system of the supplier, insofar as these were carried out despite the usual care taken in the case of protective measures.
 - c) obstacles due to German, US or other applicable national, EU or international regulations of foreign trade law or due to other circumstances for which we are not responsible.
- 4.7. Statutory provisions define when a delivery is deemed to be delayed. The purchaser must always issue a warning containing a reasonable deadline.
- 4.8. In the event of a delay in delivery, our liability is limited in accordance with clause 10. of this GDPC. Otherwise, the legal rights of the purchaser and our legal rights remain unaffected, particularly if performance obligation is excluded (e.g. due to incapability or unacceptability of the services and/or subsequent fulfilment).

5. Partial deliveries, partial delay, partial incapability to fulfil the commitment

- 5.1. Partial deliveries are permitted and can be invoiced separately if this is acceptable for the purchaser and they have an objective interest in the partial delivery.
- 5.2. In the case of a partial delay or partial incapability to fulfil the commitment, the purchaser can only withdraw from the entire contract or only claim damages due to non-performance of the entire commitment if the partial fulfilment of the contract is of no interest to them.

5.3. Otherwise, the provisions of the previous clause (3.) apply appropriately to partial delays.

6. Delivery and transfer of risk

- 6.1. Deliveries and transfer of risk are EXW (Incoterms 2020) from our warehouse in Rietheim-Weilheim, Germany. The risk itself is also transferred to the purchaser EXW, i.e. when the purchaser is notified of readiness for shipment, even if we assume shipment costs or transport the goods in individual cases.
- 6.2. If another delivery clause has been agreed and if shipment is delayed due to circumstances for which the purchaser is responsible, particularly at the purchaser's request, the risk is transferred to the purchaser on the day on which readiness for shipment is notified; however, we are obliged to effect insurance as requested by the purchaser on the purchaser's request and at their expense. The payment obligation of the purchaser remains unaffected by this.
- 6.3. If shipment is delayed on the purchaser's request, they will be charged the monthly storage costs at 0.1% of the price of the sold item beginning one month after notification of readiness for shipment.
- 6.4. If the goods are shipped on the purchaser's request, we will, in case of doubt, select the dispatch route and means of shipment without guaranteeing to use the cheapest shipment method.
- 6.5. Packaging is charged according to expenditure.

7. Prices, surcharges, payment terms

- 7.1. All prices are given in EURO EXW (Incoterms 2020) from the warehouse in Rietheim-Weilheim, Germany, excluding the applicable sales tax and packaging.
- 7.2. We charge a surcharge of €6.00 plus sales tax on below-minimum order quantities for small orders with an invoiced value of goods of up to €30.00.
- 7.3. The purchase price must be paid to the account stated in the invoice without deduction or expenses within 30 days after the invoice date; payment is deemed to have been made when our account is credited.
- 7.4. Authorised signatories, sales agents, consultants and sales representatives have no authority to collect debts or agree deferrals.
- 7.5. Offsetting with counterclaims is only permitted if this is based on the same contractual relationship or has been determined to be legally binding or undisputed.
- 7.6. The purchaser is only entitled to withhold payments due to effective and outstanding counterclaims from the same contractual relationship.

8. Retention of title

- 8.1. We reserve the right of ownership for the goods until all receivables – including future receivables – arising from the business relationship with the purchaser have been paid in full (including all additional claims, such as financing costs, interest). If a current account agreement has been arranged with the purchaser, the retention of title remains in place until the acknowledged current account balance has been paid in full.
- 8.2. The purchaser is obliged to treat the reserved commodity with care, and in particular to insure it at their own cost and at a sufficient replacement value against damage caused by fire, water and theft.

- 8.3. If the purchaser has combined the reserved commodity with other goods, we are entitled to joint ownership of the newly created goods in proportion to the invoice value of the reserved commodity compared to the invoice value of the other goods plus the processing value. If our property ceases to exist as the result of incorporation, mixing or processing, the purchaser will transfer their proprietary rights to the newly created goods to us at the time of incorporation, mixing or processing to the amount of the invoice value of the reserved commodity and safeguard it for us free of charge. Our proprietary rights arising from this process are considered to be a reserved commodity as stipulated in clause 8.1.
- 8.4. At this point, the purchaser will assign any purchase price, compensation or other receivables including the acknowledged balance from a current account agreement to the amount of the invoice value of the reserved commodity incurred by further sale or the further processing or any other legal grounds (e.g. in the event of an insurance claim or in the case of unlawful actions) with regard to the reserved commodity; we will accept this transfer. The assignment of claims in accordance with sentence 1 serves to secure all receivables – including future receivables – arising from the business relationship with the purchaser.
- 8.5. The purchaser has the revocable right to collect receivables from further sales on our behalf in their own name. This direct debit mandate can only be revoked if the purchaser does not duly fulfil their payment obligation. In a case such as this, the purchaser must provide the necessary information for collection of the assigned receivables, provide suitable documents and inform the debtor of the assignment at our request.
- 8.6. The purchaser must inform us promptly of seizure, confiscation, damage and/or loss of the delivered items; a breach of this obligation entitles us to withdraw from the contract. The purchaser bears all costs, particularly those costs arising from third party actions for the successful reclamation of seized goods and, where applicable, for the successful replacement of the delivered items, insofar as these cannot be reclaimed by a third party.
- 8.7. If the purchaser suspends payments or applies for insolvency proceedings to be initiated against the assets of the purchaser, or if the reserved commodity is seized, the right to further sell and further process the reserved commodity and to collect the assigned receivables expires. Payments subsequently received for assigned receivables must be immediately paid into a special account.
- 8.8. If we have effectively withdrawn from the contract, we are entitled to take back the reserved commodity if we have issued a warning of the imminent reclamation and stipulated a reasonable time limit. The purchaser bears the costs incurred by exercising the right to reclamation, particularly transport costs. We are entitled to utilise the reclaimed reserved commodity and to satisfy our claim using the sales proceeds if we have issued a warning of the imminent sale beforehand and stipulated a reasonable time limit. If the proceeds exceed the outstanding receivables from the contractual relationship, the excess will be issued to the purchaser.
- 8.9. We undertake to release the securities to which we are entitled at the request of the purchaser to the extent to which the realisable value of the securities exceeds that of the receivables to be secured by more than 10% on a more than temporary basis. If we are charged sales tax on selling the secured commodity due to a delivery from the purchaser that is subject to sales tax, the aforementioned cover limit of 110 % increases by the amount of the sales tax.

The purchaser is also entitled to demand the release of securities if the estimated value of the transferred goods is more than 150% of the claims to be secured. We are free to select the securities to be released.

- 8.10. If cash payments or advance payments have been arranged, full ownership is transferred to the purchaser as soon as the commodity is delivered. If we agree a deferral with the purchaser agree or supply them with goods despite being aware of payment difficulties, we renounce expanded and extended retention of title and supply goods under simple retention of title.

9. Notification of defects, rights in the case of material defects

- 9.1. The purchaser must inspect the goods promptly after receipt and report all detected defects promptly in writing within 7 working days at the latest (Saturday does not count as a working day); otherwise the goods are considered to have been approved. Hidden defects must be promptly reported in writing after discovery after 7 working days at the latest (Saturday does not count as a working day); otherwise the goods are considered to have been approved even despite the hidden defects.
- 9.2. If the goods are defective, we can choose either to remedy the defect (rectification) or deliver a defect-free item (replacement delivery) as subsequent fulfilment.
- 9.3. Claims due to supplier regress (particularly for installation and removal costs) are governed by law. Claims of this kind are excluded if the defective goods have been further processed by the purchaser or another contractor, e.g. by installation in another product.
- 9.4. The purchaser must allow us the time and opportunity required for subsequent fulfilment; in particular they must hand over the rejected goods for inspection purposes. In the case of a replacement delivery, the purchaser must return the defective goods to us in accordance with legal regulations.
- 9.5. Otherwise, the purchaser is entitled to the legal material defect rights.
- 9.6. Complaints regarding parts of goods and services do not entitle the purchaser to reject the remaining goods and services unless the purchaser is entitled to withdraw from the entire contract due to the defective partial service.
- 9.7. If the purchaser asserts a claim for damages, we are only liable subject to the following clause (10).

10. Extent of liability

- 10.1. We assume unlimited liability for losses resulting from death, physical injury or harm to the health caused by a negligent breach of duty on our part or by an intentional or negligent breach of duty by our legal representatives or agents, and in the case of statutory liability without fault, particularly in compliance with product liability law and in the case of liability under a guarantee.
- 10.2. We are liable for other damages caused by intentional or grossly negligent breach of duty on our part or by an intentional or grossly negligent breach of duty by our legal representatives or agents. In this case, liability is limited to typical damages that were foreseeable at the time of contract conclusion.
- 10.3. In the case of intentional or negligent violation of a major contractual obligation we are only liable for typical damages that were foreseeable at the time of contract conclusion.

A major contractual obligation is an obligation that is prerequisite for the proper fulfilment of the contract concluded with the purchaser and on which the purchaser relies and was entitled to rely upon and whose non-performance jeopardises the achievement of the purpose of the contract. The foreseeable, typically occurring damage is covered by our insurance in the amount of EUR 20 million and our liability is therefore limited to this amount. In the event that a higher damage is to be expected from the customer's point of view, we can take out higher insurance cover at the customer's request and expense.

- 10.4. Our liability is excluded in all other cases.
- 10.5. If our liability is excluded or limited, this also applies to our employees, representatives and agents.

11. Contract adaptation

If events as referred to in clause 4.6. a) - c) substantially change the economic importance or the contents of the delivery or have a considerable effect on our business, the contract may be adapted appropriately and reasonably in good faith. If this is not economically justifiable, we shall be entitled to withdraw from the contract. The same applies if required export licences are not granted or cannot be used. If we intend to make use of this right of withdrawal, we shall inform the customer immediately on recognising the consequences of the event, even if an extension of the delivery time was initially agreed on with the customer. The provisions of § 313 BGB (Civil Code) remain unaffected.

12. Limitation period

- 12.1. The legal period of limitation applies in cases of supplier regress in the supply chain of a consumer goods purchase where statutory liability without fault applies, particularly in compliance with product liability law, and in the case of liability under a guarantee.
- 12.2. The statutory warranty period also applies to losses resulting from death, physical injury or harm to the health caused by a negligent breach of duty on our part or an intentional or negligent breach of duty by our legal representatives or agents, for other damages caused by intentional or grossly negligent breach of duty on our part or by an intentional or grossly negligent breach of duty by our legal representatives or agents and for damages caused by an intentional or negligent violation of major contractual obligations stipulated in the respective contract by us or our legal representatives or agents.
- 12.3. A limitation period of five years applies to buildings and items used for buildings in accordance with their normal usage that have caused the defect and to work whose performance consists in the provision of planning or supervisory service for a building.
- 12.4. The warranty period is one year in all other cases.

13. Deterioration of assets and credit rating

- 13.1. If a substantial deterioration of the purchaser's financial position occurs after conclusion of contract, we have the right to only carry out outstanding deliveries of goods and services on provision of security. If the purchaser is not able to provide the demanded security within an acceptable period, we are entitled to withdraw from the contract.
- 13.2. The same applies if we become aware of facts that give rise to reasonable doubt regarding the purchaser's solvency or credit rating after conclusion of contract, unless the purchaser can prove that we were aware of the facts on conclusion of the contract or should have been aware if we had applied due diligence.
- 13.3. Furthermore, in the aforementioned cases, we are entitled to prohibit the further processing and further sale of the delivered goods on the basis of the retention of title agreed in clause 8 and to revoke the direct debit mandate in accordance with clause 8.5 .

14. Property rights

- 14.1. We are not liable for the violation of third-party property rights when delivering goods that we manufacture on the basis of drawings, models or other information provided by the purchaser. The purchaser must indemnify us against claims of third parties.
- 14.2. We guarantee that our goods do not violate any third-party property rights in Germany. If third-party property rights are violated, we are only liable in accordance with statutory provisions. Under no circumstances will we refund the purchaser for any loss of profits if third-party property rights are violated.

15. Place of fulfilment and place of jurisdiction

- 15.1. The place of fulfilment for deliveries and payments is Rietheim-Weilheim, Germany.
- 15.2. If the purchaser is an agent, legal person under public law or separate estate under public law or if the purchaser or the contracting branch of the purchaser is based outside the Federal Republic of Germany, the exclusive place of jurisdiction for all disputes arising from the contractual relationship is Stuttgart, Germany. The same applies if the purchaser has no general place of jurisdiction in Germany, relocates their headquarters, domicile or habitual residence from Germany after contract conclusion or if their headquarters, domicile or habitual residence is not known at the time the action is filed. However, we can also assert claims in the legal place of jurisdiction of the purchaser.

16. Binding nature of the contract

- 16.1. In the event of individual points being legally ineffective, the other provisions of the contract remain valid. This does not apply if continued adherence to the contract would constitute unreasonable hardship for one of the parties.