

**General Terms and Conditions (GTC) of the MHG Fahrzeugtechnik
 as of June 2019**
§1 General provisions

1. The following Terms and Conditions of MHG Fahrzeugtechnik GmbH apply to all contracts, orders and services of our contractors. All orders for shipments and services are made solely on the basis of our GTC. These GTC apply to all existing and future business relationships. Divergent, conflicting or supplementary general terms and conditions of the contractor - even with knowledge or unconditional acceptance of shipments and services of the contractor - are not part of the contract, unless their validity is expressly agreed in writing.
2. The assignment or pledging of claims from all contracts with us is permissible solely with our express written consent.

§2 Offer, offer documents, assignment

1. Our offers shall be prepared gratis and without obligation, and must be made in writing.
2. We retain ownership rights and copyright pertaining to illustrations, evaluations, drawings and other documents. These may not be made accessible to third parties without our explicit written consent. They must be used exclusively for production based on our order. Following the end of the business relationship, all documents must be returned to us without a request to do so. They must not be disclosed or provided to third parties.
3. If the contractor does not accept an order unconditionally and unchanged, but delivers an offer deviating from our order, then a contract shall not be entered into until we have confirmed it in writing.
4. If the order is placed with the contractor on the basis of delivery schedules, the delivery schedule becomes binding if the contractor does not raise object no later than within three days following receipt. The contractor must have the necessary capacity to provide the desired quantities, including the estimated quantities (for a maximum of six months from the date of transfer of the delivery schedule). Calls for delivery are associated with a production release and a material release from the transfer date according to the period specified on the call order. In addition, the call is only a non-binding preview.
5. Only individual orders placed in writing are legally binding. MHG expects an order confirmation stating price, date, article number, article name, quantity, order data (order number, order date) to be provided within three working days. If this does not arrive in the aforementioned period, the agreements from the order shall apply.

§3 Delivery time

1. Unless otherwise expressly agreed, the dates specified in the individual order or in the call to delivery are binding; the contractor is in default of delivery on the expiry of a fixed delivery date without the need for a reminder (relative fixed-date transaction). The decisive date for the observance of the delivery date or the delivery period is the receipt of the goods at the receiving or dispatching office nominated by MHG. Otherwise, the contractor must provide goods on time, taking into account the usual time for loading and shipping. The supplier is obliged to notify MHG in writing and without delay if it becomes apparent that a delivery date cannot be met.
2. In the event of a delay in delivery, we shall be entitled to assert all statutory claims. In particular, we are entitled to demand damages instead of fulfilment and to rescind the order if delivery is not made within a reasonable grace period. If we assert such claims, it is up to the contractor to demonstrate that the breach of duty was beyond its control.

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3. In the event of a delay in delivery, we are entitled to make cover purchases from third-party suppliers or to have replacement goods manufactured by third parties. The contractor waives the assertion of any protective rights existing in its favour without reservation and without revocation if we are required to have replacement goods manufactured by third parties.

§4 Prices, terms of delivery and payment

1. The prices stated in the order are fixed prices and are exclusive of VAT in the statutory amount, unless stated otherwise.
2. We do not pay any fees for freight or expenses, including the costs for packaging and at the risk of the contractor up to the place of acceptance nominated by us, on all shipments. We do not bear costs for transport insurance, unless expressly agreed otherwise.
3. A single copy of all invoices must be sent to us immediately. Our order number must be stated on invoices. Invoices must meet the requirements of §14 UStG.
4. Payment shall be made within 45 days of the complete delivery of the goods (or partial deliveries, if expressly agreed) and provision of a proper invoice under Section 3. If payment is made within 21 days of the occurrence of the aforementioned events, this amount is reduced by 2% discount, and a discount of 3% within 14 days of the aforementioned events. Differing agreements on the term of payment are possible and must be agreed in writing.
5. We have the right to offset and withhold payment to the full extent allowed by law.
6. The assignment of claims against us is effective only with our express consent. The subsequent introduction and increase of public fees and taxes, freight charges, wages, material or other pricing factors shall be borne by the contractor.
7. The payment of an invoice shall not be deemed to be a waiver of the right to give notification of a defect in the goods invoiced. In case of defective delivery, MHG shall be entitled to withhold the payment in proportion to the proper performance.
8. In the event of advance payment, the supplier must provide adequate security in the form of an industry-standard, directly enforceable bank guarantee from a large German commercial bank.
9. Ownership of the products passes to MHG at the latest upon payment. Extended or expanded retention of title does not become part of the contract.
10. MHG can at any time verify the contractor's competitiveness in terms of price, quality and reliability. If the contractor is no longer competitive, MHG shall set a reasonable deadline to give the contractor the opportunity to restore its competitiveness. Should the contractor fail to do so within the time limit, MHG may terminate the contract for good cause.

§5 Investigation of and liability for defects

1. We reserve the right to perform quality checks on the premises of the contractor. Quality checks on the premises of contractors may also be carried out with our customers.
2. We shall be entitled to full statutory claims for defects. In any case, we shall be entitled to demand from the customer, at our discretion, remedial measures or deliveries of a new item. The right to damages, in particular, the right to claim damages in place of remedy, remains expressly reserved.
3. We are entitled to remedy the defect ourselves at the expense of the contractor if the contractor is in default.
4. The period of limitation is 60 months, starting from transfer of risk, insofar as non-compelling provisions of §§ 478, 479 BGB intervene.

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5. The provisions of § 377 HGB do not apply, insofar as there are no obvious defects on the part of the contractor.

§6 Product liability, indemnity, and liability insurance

1. If the contractor is responsible for a product defects, it is obliged to ensure that we are exempt from compensation claims made by a third party if the cause of the fault is located in its domain and organisation, hence it is liable in relation to us and third parties.
2. As part of its liability for claims under § 1, the contractor is also obliged to pay any expenses under §§ 683, 670 BGB or under §§ 830, 840, 426 BGB arising out of or in connection with a recall conducted by us. If possible and reasonable, we will notify the contractor of the content and extent of the recall action and give it the opportunity to offer its opinion. This does not affect our other legal claims
3. The supplier is obliged to provide adequate worldwide insurance cover (including the USA), including recall in respect of its obligations and to prove this at the request of MHG.

§7 Industrial property rights

1. The contractor warrants that no third party rights, in particular patent, trademark, design and other industrial property rights, are violated nationally and internationally in connection with its performance.
2. The supplier shall be required on first written request to indemnify us from all claims raised by third parties in this respect. If we enter into a settlement or comparable agreement with the third party to avoid a legal dispute or in the context of a legal dispute, these shall be binding on the contractor only if it consents to the agreement in advance.
3. The contractor's obligation to indemnify us from such claims also extends to any necessary expenses incurred by us as a result of or in connection with the same.
4. The limitation period is 60 months, starting from the transfer of risk.

§8 Retention of title, provision, tools, confidentiality

1. Insofar as we provide parts to the contractor, we retain title thereto. Any processing or transformation performed by the contractor is done so on our behalf. If our reserved goods are processed with other objects that do not belong to us, we acquire co-ownership of the new object in proportion to the value of our goods (purchase price plus statutory value-added tax) to the other processed objects at the time of processing.
2. If the item provided by us is inseparably mixed with other items that do not belong to us, we shall acquire co-ownership of the new item in proportion to the value of the reserved item (purchase price plus statutory value-added tax) to the other processed items at the time of mixing. If mixing is performed in such a way that makes the contractor's object the main object, it is hereby agreed that the contractor shall make us the co-owner on a proportional basis. The supplier shall maintain the sole ownership or co-ownership for us.
3. We retain title to tools. The supplier is further obliged to use the tools exclusively for the production of items ordered by us. The contractor is obliged to take out a new-for-old insurance policy to cover the tools that belong to us against fire, water damage and theft, at its own expense. At the same time, the contractor assigns to us all compensation claims from this insurance. We hereby accept this assignment. The contractor is obliged to carry out any required maintenance and inspection work, as well as repair and commissioning work, on our tools at its own expense. The contractor must notify immediately us of any incidents.
4. Insofar as, under § 1 or §2, security interests exceed the purchase price of all outstanding goods of ours that have not yet been paid by more than 10%, we shall be obliged to release the security interests of our choice at the contractor's request.

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5. The contractor is obliged to maintain the strict confidentiality of all illustrations, drawings, calculations, and other documents and information. These may only be revealed to a third party with our express approval. This confidentiality obligation shall continue to apply after the fulfilment of this contract. This shall expire if and insofar as the production knowledge contained in the illustrations, drawings, calculations and other documents has become generally known.
6. Upon termination of the business relationship, the supplier undertakes to immediately return to us all documents under § 5 and items provided.
7. The contractor is obliged to label movable assets that are in our possession according to the aforementioned sections, or those to which we acquire ownership rights, so that they are clearly identifiable as our property or co-property by means of an appropriate label specified by us, and to prove this identification on request.

§9 Data protection

Under the Data Protection Act we are entitled to store data on goods and payments with the supplier to the extent permitted. The contractor shall ensure that all persons entrusted with the fulfilment of their obligations comply with the statutory provisions on data protection. The duties of these persons to protect data secrecy, as required by data protection law, must be performed prior to the initial commencement of its activity and must be proven to MHG on request.

The contractor undertakes to treat all non-public commercial and technical information disclosed to it through the business relationship as a trade secret, not to disclose it to third parties and to use it exclusively for the fulfilment of the business relationship with us. Drawings, models, templates, samples, plans and similar objects must not be provided or otherwise made accessible to third parties. The duplication of such items is permitted solely as part of operational requirements and copyright regulations and solely in the context of the fulfilment of the business relationship between us and the contractor. Subcontractors shall be obligated accordingly. The contractor may only advertise the business relationship with us with our prior written consent.

§10 Final provisions

1. The place of jurisdiction is Heubach, insofar as the contractor is a commercial entity. However, we are also entitled to take legal action against the contractor at the courts at the place of residence of the contractor.
2. Only the law of the Federal Republic of Germany shall apply. The validity of the UN Sales Convention is excluded.
3. If any provision of these GTC is or becomes invalid, the validity of the remaining provisions shall not be affected. The parties undertake to replace invalid provisions with such as most closely approach the economic intention of the original provisions.
4. Deviations from the contractual provisions and subsidiary agreements must be made in writing. This shall also apply to any waiver of the written form requirement itself.
5. For the interpretation of these GTC, only the German language version is authoritative.

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