

General Terms and Conditions

Company

Carnehl Fahrzeugbau Pattensen GmbH & Co. KG
Johann-Koch-Str. 13, 30982 Pattensen, Germany

I. GENERAL

- The following terms and conditions shall apply to all offers submitted by the Contractor and to all contracts entered into with the Contractor. Conflicting terms applied by the Client shall be excluded unless expressly acknowledged by the Contractor in writing.
- All agreements must be recorded in writing. This shall apply equally to supplementary agreements, covenants and assurances as well as to subsequent changes or amendments to the contract. Any covenants about a waiver of the written form shall be null and void.
- Rights and duties on the part of the Client resulting from a purchase contract may only be assigned or transferred upon the written consent of the Contractor.
- Offers are without obligation unless expressly declared to be binding. Orders shall be binding upon the Client for the duration of six weeks. This period shall commence upon receipt of the order. However, should an order be declined, the Contractor shall be obliged to give appropriate notification forthwith following clarification of availability. The subject of the contract shall be determined solely by the order confirmation.
- Any descriptions of goods to be supplied, illustrations and technical information contained in catalogues, brochures and any other advertising material as well as estimates of costs are in principle without obligation unless expressly declared to be binding. Warranted characteristics are expressly defined in writing in the contract itself.
- In the event that any provision contained in these General Terms and Conditions should be invalid, this shall not affect the remaining provisions.
- For supply and/or repair transactions the place of fulfillment for both contracting parties shall be the registered seat of the Contractor's head office.
- For all present and future claims deriving from business relationships with registered traders including claims deriving from bills of exchange and cheques, the exclusive place of jurisdiction shall be the head office location of the Contractor. This shall likewise apply even if the Client has no general place of jurisdiction in Germany, or if after entering into the contract the Client should transfer its customary place of residence or domicile outside of Germany, or if the Client's customary place of residence or domicile is unknown at the time action is brought.
- As a matter of principle the law of the Federal Republic of Germany shall in all cases apply. The application of conventions on the international sale of goods shall be excluded.

II. Prices

- Prices for goods purchased are strictly ex works / importer's warehouse with no discount or other deductions, plus turnover tax (the purchase price). Transport and agreed additional services will be charged separately.
- Alterations in price shall be permissible only if the period of time between entry into contract and the agreed delivery date is greater than 4 months; in which case the price valid on the date on which the contract was concluded shall apply. Changes in the rate of turnover tax will entitle both parties to make corresponding price adjustments. If the purchaser is a legal entity under public law, a special public fund or a merchant entering into contract in connection with the conduct of a commercial enterprise, in all cases the Seller's price applicable on the date of delivery shall apply. The Contractor will prepare cost estimates for repairs – without obligation – only if the damage incurred and/or functional defect can be determined without dismantling the item to be repaired. Subsequent to the placement of an order for a repair the Contractor reserves the right to agree special terms for the continuing execution of the contract. Should it not be possible to reach agreement with the Client regarding the contract amendments within a period of one week, the Contractor shall have the right to withdraw from the contract, whereby no claims based on whatever legal ground shall accrue to the Client unless the Contractor shall be guilty of wilful or gross negligence.

III. Times of delivery and performance

- The delivery and repair dates quoted by the Contractor are on principle without obligation, unless expressly fixed delivery times have been agreed and have been confirmed in writing in the order confirmation. Where contract amendments are subsequently agreed, a new delivery or repair date must at the same time be defined. Should the Contractor exceed the delivery or repair date by more than 6 weeks, the Client may set a grace period of 6 weeks for the manufacture of new goods or 4 weeks for repairs. **Notification of a period of grace must be addressed exclusively to the company management of the Contractor.** Should the grace period be exceeded the Client may by a written declaration withdraw from the contract or demand

compensation for non-fulfilment. Such latter demand may only be asserted if the Contractor is guilty of wilful or gross negligence.

- In the case of force majeure or unforeseeable impediments such as for example insurrection, significant disruptions of operations, strikes, lockouts or such like, provided that these impediments are serious and not occasioned through any fault of the Contractor, the Contractor shall not be in default of delivery. In such case when the original delivery or repair date has been exceeded by 3 months, either party may withdraw from the contract, whereby all further reciprocal claims shall be excluded.
- If delivery or repair dates are exceeded the Client may only demand reimbursement of damages due default in the event that the Contractor is guilty of wilful or gross negligence.
- The right is reserved during the delivery period to accommodate changes in design or form, deviations in colour shade or variations in the extent of supply by third-party suppliers, provided that the alterations to the goods to be purchased are not of a material nature and the customer can reasonably be expected to accept the same.

IV. Transfer of risk

- The risk of accidental loss or accidental deterioration will transfer to the Client no later than at the time the subject of supply or repair leaves the Contractor's works premises.
- Unless otherwise agreed the goods will be dispatched and the means of transport, route and appropriate packaging selected by the Contractor at its discretion. The Client shall be entitled to claim compensation only if the Contractor is guilty of wilful or gross negligence.
- Should the Client not accept the subject of supply or repair within 2 weeks of the date on which notice of completion is dispatched, the risk of loss or deterioration will transfer on the date on which the notice is dispatched to the Client. It shall suffice for the Contractor to send the notice of completion to the address specified by the Client.

V. Acceptance

- The Client shall be entitled within 8 days of receipt of the notice of completion to inspect the goods to be purchased at the agreed place of acceptance. The Client is under obligation to accept the goods within this period of time.
- The Client is likewise entitled to inspect the subject of supply or repair at the place of acceptance. Any test drive must be kept within customary limits (maximum 20 km), unless the Client accepts additional costs and the risk of loss or deterioration of the subject of supply or repair.
- Should the Client delay more than 14 days from the date of the notice of completion in accepting a new delivery, the Contractor having first set a period of grace of 14 days shall be entitled to withdraw from the contract or demand compensation for non-fulfilment. In the latter case the Contractor shall be entitled, without prejudice to the possibility of claiming greater damages, to demand 15 % of the net contract price plus value added tax, unless the Client can prove that no loss, damage or depreciation has occurred or that the loss, damage or depreciation is substantially lower than the lump sum claimed.
- If the subject of supply or repair is in any way handled by the Client or its authorised agent prior to acceptance (for example by activating the steering), the latter shall be responsible for any resulting loss or damage.

VI. Warranty

- If the purchaser is a legal entity under public law, a special public fund or a merchant entering into contract in connection with the conduct of a commercial enterprise, the Contractor warrants as follows:
 - For parts not manufactured or repaired by the Contractor itself and for works performed by third parties, the Contractor's warranty shall be restricted to the assignment of the Contractor's claims against its suppliers and subcontractors in respect of defects; whereby the Client shall be advised to assert such claims directly. In the event that warranty claims against third parties should fail, the Contractor will assume the warranty provided that the parts not manufactured or repaired by the Contractor or works by third parties do not originate from the Client itself.
 - Own supplies are warranted by the Contractor for a period of 1 year from the date of the transfer of risk, subject to a maximum distance travelled of 50,000 km. Electronic **components** are warranted for 90 days, and own repairs for 6 weeks from the date of the transfer of risk.
- In cases other than those covered by No. 1, the Contractor's warranty shall extend for the duration of the statutory obligation to warrant supplies and repairs.
- In all cases the content of the warranty obligation shall be as follows:
 - Should the Client accept the subject of supply or repair despite being aware of a defect, the Client shall be entitled to make claims under warranty only insofar as these are expressly reserved at the time of acceptance.
 - Notification must be given immediately upon discovery of a latent defect.
 - The Contractor's warranty obligation shall be restricted either to the elimination of defects by rectification in its own workshops or – **at the Contractor's discretion** – at

the location of the object to be repaired (**no obligation exists to carry out warranty work on the Client's premises**) or at the discretion of the Contractor to the free-of-charge replacement of the subject of supply of parts thereof.

- Should it prove impossible despite multiple attempts at rectification to eliminate the defect or should the Contractor insist on the provision of security because the Client is in arrears with its payment obligations, the Client may demand a reduction in the remuneration payable or cancellation of the contract.
- No warranty obligations shall apply if a causal relationship exists between the fault which has occurred and any of the following:
 - Failure by the Client to notify an identified fault in good time and provide an immediate opportunity for rectification.
 - Improper use or abuse of the subject of supply or repair, or
 - Failure by the Client to adhere to the specifications for the treatment, maintenance and care of the subject of supply or repair (for example operating instructions), or
 - In the event of damage to the subject of supply or repair, alterations (particularly the installation of parts) have been made without obtaining the express prior approval of the Contractor.
 - Maintenance or care has been undertaken by a workshop not recognised by the Contractor.
 - The read-out of data from electronic components has been so impeded by the Client that the available data has been deleted or manipulated.**
 - Parts installed in the process of rectification will be covered by warranty until such time as the warranty on the goods purchased or repaired expires under the terms of the contract.
 - The warranty does not include natural wear and tear (for example, electric light bulbs).
 - Used objects and parts will be installed only at the particular request of the Client. No warranty will in thus far apply unless expressly agreed.
 - Warranty claims may be asserted exclusively by addressing the same to the Contractor's company management or the manager of the warranty department. Any respective representations by commercial agents and sales persons made towards the Client are invalid.**

VII. Terms of payment

- Invoices for new supplies are payable in accordance with the agreed terms of payment. Repair invoices are due for payment before the subject of the repair is removed from the works premises.
- Money orders, cheques or bills of exchange will be accepted only by special agreement and only on account of payment, after allowing for all collection and discounting charges.
- If payment deadlines are exceeded the Contractor shall be entitled to charge interest at 2 % above the currently applicable Deutsche Bundesbank discount rate plus value added tax, subject to a minimum rate of 8 % above base rate as per Article 288, Para. 2 of the German Civil Code (BGB). Higher or lower interest rates may be applied if the Contractor can demonstrate a higher or the Client a lower interest rate burden.
- Payments will always – even if otherwise intended – be set against that invoice which has been due for the longest time.
- The Client may make offset against claims by the Contractor only if the counterclaim by the Client is undisputed or legally enforceable title exists. A right of retention may be asserted by the Client only insofar as it is based upon claims arising from the same contractual relationship.
- If part-payments are agreed, the entire remaining debt – irrespective of the due dates of any bills of exchange – will be payable immediately if:
 - a Client not entered in the Commercial Register as a trader should default either in whole or in part on two consecutive instalments and the sum by which the Client is in default amounts to at least one tenth of the purchase price.
 - a Client entered in the Commercial Register as a trader is fourteen days in default of its payment obligations towards the Contractor, or if he stops its payments, or if an application is made to open composition or insolvency proceedings against the Client's assets, or a material deterioration occurs in the Client's financial circumstances. In these cases the Contractor will be entitled to demand immediate surrender of goods which are subject to reservation of ownership and take possession of the said goods, whereby any right of retention on the part of the Client shall be excluded unless founded on the same contractual relationship.
- Should there be a material deterioration in the Client's financial circumstances after an order has been confirmed, the Contractor shall be entitled at its discretion either to demand payment in cash or the provision of security before delivering the goods or – if the Client fails to make payment in cash or provide security within a set time limit of ten days – to withdraw from the contract and demand compensation from the Client for expenses thus far incurred.
- The Contractor shall be entitled to set off all its claims against the Client as well as claims which Messrs. Carnehl KG has against the Client, against all claims which the Client has against the Contractor or Messrs. Carnehl KG now or in the future, irrespective of whether on the one part or the other payment in bills of exchange or some other performance has been agreed on account of fulfillment. If claims or liabilities are of differing maturities, the value date of settlement shall be the date of maturity. The Client is in agreement that securities granted now or in the past or in the future to the

Contractor or to Carnehl KG shall in each case stand for all claims on the part of the Contractor and Carnehl KG.

VIII. Reservation of title

1. Until such time as all claims (including balances) accruing now or in the future on whatever legal grounds to the Contractor and its majority-owned undertakings, in particular Carnehl KG, against the Client and its affiliated companies, are satisfied, the following securities shall be granted to the Contractor and released on demand and at the Contractor's discretion insofar as their value exceeds the sum claimed on a sustained basis by more than twenty percent.
2. The goods shall remain the property of the Contractor until all claims which the Contractor had against the Client subject to the purchase contract have been satisfied or settled, respectively. Processing or transformation are undertaken at all times for the Seller as manufacturer but without imposing any obligation upon the Seller. If the (co-) ownership of the Contractor of a joint object due to connection, the claim which the Client has against a company providing funding - with respect to the Contractor's services or its value proportion (invoice amount), respectively, shall pass into the ownership of the Contractor. The Client shall hold the Contractor's (joint) title in safe custody free of charge. Goods to which the Client holds (joint) title are described hereinafter as reserved goods.
3. If the Client is a legal entity or similar, reservation of title shall also apply to claims by the Contractor deriving from its current business relations against the Client. The Contractor likewise reserves title to all accessories/spares and/or exchange units fitted in association with repair works until such time as all claims deriving from the Client's business relationship with the Contractor have been paid in full.
4. For the duration of the period for which title is reserved the Client shall be entitled to possession and use of the goods for as long as the Client fulfils its obligations resulting from the reservation of title and in particular does not default on payment.
5. For as long as title is reserved the goods must be covered by comprehensive insurance including third-party liability insurance, with the proviso that the rights deriving from the insurance shall accrue to the Contractor. If the Client does not provide proof of insurance cover by submitting an insurance certificate no later than at the time the goods are handed over, the Contractor shall be entitled of its own accord to arrange insurance at the Client's expense and apply for surrender of the insurance certificate. Expenses, insurance premiums, etc. will be charged separately. The Client is obliged to apply benefits paid under the insurance in full for the purpose of restoring the goods. In the event of a total loss the insurance benefits must be used to repay the residual claim owing to the Contractor. Any surplus will accrue to the Contractor.
6. It is incumbent upon the Client to keep items to which the Contractor reserves title in due and proper condition for as long as title is reserved, and to have all maintenance and necessary repair works carried out immediately by the Contractor or by a workshop approved by the Contractor to service and maintain the goods supplied.
7. For as long as title is reserved, it is not permissible to dispose of, pledge, assign as security, hire out or otherwise transfer goods which are subject to reservation of title to third parties without the written consent of the Contractor. For the duration of the period for which title is reserved the Contractor shall have the right to hold the vehicle registration document. The Client must apply to the competent authority and request that the registration document be issued to the Contractor.
8. In the event of interference by third parties with goods which are subject to the reservation of title, in particular in case of attachment, the Client must notify the Contractor immediately stating the name of the third party and inform the third party that ownership is reserved by the Contractor. The Client must bear the cost of measures to remedy such interference. Attachment of the goods will not cause the Contractor to waive ownership. If goods are attached by the Contractor, the Client cannot claim relief on the grounds that the goods are required for any reason such as in particular to maintain its commercial enterprise.
9. Should the Contractor give the Client permission to sell the goods, the Client shall assign all rights against the purchaser until such time as all claims by the Contractor have been paid in full. Until countermanded by the Contractor, the Client shall be entitled and obliged in its own name to collect claims due from the purchaser. This entitlement and obligation may only be countermanded by the Contractor if the Client seeks an out of court composition, or application is made to open judicial composition or insolvency proceedings against the assets of the Client, or the Client goes into liquidation. If the Contractor so countermands, all monies collected will immediately become the property of the Contractor. The Client shall in thus far keep cash received safe and separate from other monies on behalf of the Contractor and pass on the amounts collected to the Contractor with a statement of account. At the Contractor's request the Client must inform the purchaser of the assignment and furnish the Contractor with the information necessary to enforce its rights against the purchaser and hand over the relevant documents.
10. Should the Client be in arrears or default of payment pursuant to Section VII, No. 6 or fail to comply with its obligations deriving from the reservation of title, the Contractor may demand the surrender of goods which are subject to the reservation of title and realise these as best it can by private sale whereby the proceeds shall be offset against the purchase price. Such recovery shall be regarded as a withdrawal only in the case of instalment transactions with a purchaser not entered in the Commercial Register as a

trader. In this case the performances by both parties will be reimbursed as provided for by the German Hire-Purchase Act. Should the Contractor demand the surrender of the goods, the Client is obliged to hand these over forthwith to the Contractor, whereby all rights of retention are excluded unless founded on the same contractual relationship. At the request of the Client, which request may only be expressed immediately upon clarification of a demand to recover the goods, a publicly appointed and sworn expert selected at the discretion of the Contractor shall calculate the estimated value. The costs of realisation without further proofs, but without prejudice to the Client's right to prove otherwise, will amount to at least 10 % of the sale proceeds plus value added tax at the statutory rate.

11. Should the Contractor grant permission to assign the goods by way of security to a bank for the purpose of financing the goods to be supplied, the Client shall - upon conclusion of the financing agreement - transfer the right to restitution of title to the financed goods to the Contractor with the proviso that when the lien on the part of the bank expires title will be restored directly from the bank to the Contractor. If it is not possible for the Contractor to acquire title to the goods, the Client shall assign any claims - towards the financing bank - it may have to refunding or reimbursement of payments made against the goods to the Contractor in full measure upon conclusion of the purchase contract. In all these cases rather than hand over the goods to be supplied, the said goods will be made available by the Contractor to the Client for use on loan for its business purposes.
12. All claims on the part of the Client against financial institutions deriving from payments made to said institutions for goods which have been resold shall be assigned immediately by the Client to the Contractor. The Contractor will not initially disclose the assignment, however, the right is reserved to notify the financial institutions thereof.

IX. Contractual right of lien and right of retention

1. On account of claims deriving from repairs the Contractor has a contractual right of lien and right of retention in respect of contractual goods in its possession. These rights may also be asserted on account of claims deriving from previous orders and services provided.
2. In the event that the Contractor intends to sell goods over which it has a right of lien, sufficient warning will be deemed to have been given by sending written notification to the address of the Client last known to the Contractor.
3. In the event that the Client does not have title to the goods to be repaired, the owner assigns its claim and expectant right to the transfer or restitution of ownership following payment in full of claims by third parties to the Contractor and irrevocably authorises the latter to undertake fulfilment on behalf of the Client. The Contractor is, however, under no obligation to fulfil claims on the part of the Client.
4. Exchange parts will on principle become the property of the Contractor who shall be at liberty to dispose over these parts.

X. Design changes

The Seller reserves the right to undertake design changes at any time. However, the Seller is not obliged to make such changes to products already supplied.

XI. Secrecy

Unless otherwise expressly agreed in writing, information made available to the Seller in association with an order shall not be regarded as confidential.

XII. Liability

1. *Should the Contractor be required by law and pursuant to these Terms and Conditions to accept liability for loss or damage occasioned by minor negligence, insofar as there is no loss of life, physical injury or impairment of health, the Contractor's liability shall be restricted as follows: Liability exists only in the event of a breach of essential contractual duties and is limited to typical loss or damage foreseeable at the time of entry into contract. Insofar as the loss or damage is covered by insurance arranged by the Client to cover such claims (with the exception of fixed sum insurance), the Contractor shall be liable only for any associated detriment to the Client such as for example higher insurance premiums or interest charges until such time as the claim is settled by the insurance. The same shall apply to loss or damage caused by a defect in the contractual goods. Liability for the loss of money, securities (including passbooks, cheque books, cheque and credit cards), precious objects and other valuables not expressly taken into safekeeping is excluded.*
2. *Liability on the part of the Contractor pursuant to Article 439, Para. 2 of the German Civil Code (BGB) for the reimbursement of costs necessary for the purpose of subsequent remedial performance, in particular transport, travel, labour and material costs, is excluded.*

3. *The aforementioned restriction on liability shall not affect the Contractor's statutory liability towards the Client in accordance with the Product Liability Act (German Produkthaftungsgesetz), or for a lack of warranted characteristics, or in the case of malicious concealment of a defect, for the acceptance of a guarantee or procurement risk.*
4. *The aforementioned restriction on liability in particular applies also to the loss of or damage to supplied chassis, contractual goods or the contents of contractual goods delivered, as well as drives for test, delivery or other purposes.*
5. *Personal liability on the part of legal representatives, vicarious agents and employees of the Contractor for loss or damage occasioned by them due to minor negligence is excluded.*
6. *All compensation claims on the part of the Client against the Contractor will expire through lapse of time 6 months after delivery or after the contract ends, insofar as no more extensive limitation periods shall mandatorily apply.*
7. *The Client or Purchaser is obliged to notify the Contractor or Seller forthwith in writing or have the latter record any damage or loss for which the former wishes to hold the latter responsible.*
8. *The rights of the Purchaser to a warranty pursuant to Section VI. and the provisions regarding times of delivery and performance pursuant to Section III. are unaffected.*

Amended: 01.09.2009