



These special conditions of sale and delivery shall apply on any sale of production engines, propulsion systems and components provided by SMO.

The present General Terms of Delivery have primarily been drafted for legal transactions between companies. If, in exceptional cases, they are used as a basis for legal transactions with consumers, as defined in the Consumer Protection Act, they shall only apply to the extent that they do not conflict with the provisions of this Consumer Protection Act.

It is mutually agreed that the UN Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

I. General:

1. These Terms of Delivery are an integral part of every offer and of every agreement. Unless the contracting parties have expressly agreed otherwise in writing, the present Terms of Delivery shall apply.

2. Steyr Motors GmbH, hereinafter called SMO, does not incur any legal obligation except by returning the duly signed order confirmation or by signing the agreement.

3. All information, correspondence, documentations and drawings will, at the choice of SMO, be supplied either in the German language or in the English language.

4. All orders must take place in written form and signed and/or countersigned from the authorized responsible person.

5. By accepting the confirmation of order, any conditions of delivery for carrying out this order which are in the terms of contract of the customer in general and which contradict these conditions of sale and delivery cease to apply. A special appeal against these conditions is not needed.

6. Production engine are understood as series supplies after the successful installation approval by SMO.

II. Prices:

Unless otherwise agreed, all prices shall be ex works of SMO, without packaging and transport. The criterion for meeting the payment obligations on the part of the purchaser is the value of the delivery in EURO on the day of invoicing.

Price increases on cause of increased cost between order date and delivery date will be charged.

III. Terms of payment:

1. Payment for goods shall, without exception, be made either in the form of a confirmed, irrevocable letter of credit in favour of SMO, which is to be opened in due time prior to the scheduled dispatch of the goods with a first-class banking institution approved by SMO, or else in the form of an advance payment.

The purchaser's payment obligation is deemed to have been met as soon as the amount is unconditionally credited to the bank account of STEYR MOTORS GmbH named in the confirmation of the order issued by SMO.

2. Any terms of payment that differ from those mentioned in Article 1 shall, without exception, require a separate agreement in writing.

3. In case of default in meeting payment obligations or in the event of default in taking delivery, SMO (Supplier) shall be entitled to charge interest for default – based on the prime rate (this the EURIBOR for 3 month) and added 5 % p.a.

Any delay of payments as well the violation of any other term of the agreement is tantamount to default and entitles the FACTORY to declare all outstanding debts due for immediate payment as well as to withdraw from the contract. The FACTORY is entitled to call in for premature payment all active debts if there is reasonable doubt as to the creditworthiness and solvency of the purchaser.

4. In all events, buyer shall refund to Seller the dunning charges and collection costs which constitute a further damage caused by the delayed payment.

5. The purchaser shall not be entitled to set off counterclaims, unless these have been expressly accepted by SMO and if SMO has agreed to such setoff on writing. The purchaser shall not be entitled to hold back payments, unless this has been expressly accepted by SMO on writing.

6. All products delivered remain the property of SMO (reservation of ownership) until all obligations of the purchaser arising from his business connection with SMO have been fully met. If a third party should attempt to seize such goods that have been delivered with reservation of title, the purchaser must expressly point out the reservation of ownership by SMO and inform the latter right away of any such encroachment upon its right by means of a registered letter. All costs arising from any such distraint of goods delivered with reservation of title or from a vacation of lien are to be borne by the purchaser.

SMO agrees to the resale of the retained goods. The purchaser however, assigns simultaneously with the resale of the retained goods, his claims arising there from in order to secure the rights of the FACTORY up to its extent to the FACTORY. The purchaser is obliged to collect all debts until withdrawal by the FACTORY. In the event of insolvency of the purchaser the latter is under obligation to hand over all of his records to the FACTORY for the purpose of the direct



collection of his claims. The FACTORY is entitled to recover its claims including all costs arising in this connection from the proceeds.

The goods delivered with reservation of title must be carefully stored at his own cost by the purchaser, who is also responsible for insuring them and maintaining them in perfect condition.

IV. Delivery:

1. Delivery dates are without obligation.
2. In the absence of any other agreement, the period of delivery shall begin at the latest of the following dates:
a) the date of the order confirmation; b) the date on which Buyer has complied with all technical, commercial and financial preconditions for which Buyer is responsible under the contract; c) the date on which SMO has received a payment on account that is due prior to the delivery of the goods, and/or a payment guarantee has been issued or otherwise provided.
3. In the event of an agreed change in the order, SMO is entitled to set a new date for delivery.
4. SMO reserves the right to make changes as regards design, color, shape and materials, provided that this causes no fundamental change to the product delivered.
5. Any data listed in the descriptive literature with regard to performance, weights, consumption figures, speeds etc., are to be understood as approximate values only.
6. The purchaser is not entitled to claim compensation for non-performance or delay, unless these have been caused by SMO wilfully or through gross negligence.
7. In case of delays in delivery as a result of circumstances outside the control of SMO, the delivery period is extended accordingly without entitling the purchaser to any claims resulting there from. The FACTORY will inform the purchaser of the occurrence of any such circumstances.
8. SMO reserves the right to withdraw from the order if, after confirmation of the order and prior to delivery, it should become aware of circumstances in the purchaser's economic position as a result of which the claim of the FACTORY does not appear to be sufficiently secured.
9. All deliveries to the purchaser are without exception, made on the lines and in accordance with the provisions of INCOTERMS (International Rules for the Interpretation of Trade Terms).
10. SMO shall have the right to make partial deliveries.

V. Terms of Fulfilment and Acceptance:

1. On performance of delivery, all risks, including those of accidental destruction, pass to the purchaser, who must arrange for insurance protection at his own expense. SMO will only provide insurance protection if this has been expressly agreed upon.
2. If the purchaser fails to avail himself of his right of inspection, purchased goods are considered as properly delivered and accepted at the time of shipment ex works.
3. If the purchaser, on having been informed of the ready availability of the goods, delays to take over the purchased goods or to supply delivery instructions, or if he is in default as regards making the payments or providing the security agreed upon, the FACTORY, after granting a six weeks' extension of time, is entitled to claim at its own option either compensation for damages suffered or profit lost, or else, in the case of non-acceptance, to demand a penalty sum for non-fulfilment of contract amounting to 20 % of the agreed purchase price.

VI. Warranty

1. These special conditions of sale and delivery apply on production engines, propulsion systems and components provided by SMO
2. Subject to the below provisions, SMO shall undertake to remedy any defect affecting the fitness for use which is due to a deficiency in design, material or workmanship. SMO shall also be responsible for any defects concerning expressly specified and agreed properties in written form.

This warranty expires

- at the latest 18 months after the date of invoice
 - at the latest 12 months after the date of commissioning / registration for use by the end-user
 - immediately with any modification of the delivered hardware/software/calibration
3. SMO's warranty obligation shall only apply to defects that appear when observing the applicable operating conditions and puffing the item to normal use under agreed test/operating conditions. SMO's obligation shall, in particular, not apply to defects that are due to inadequate maintenance, inadequate repairs or modifications undertaken by other persons than SMO or SMO's representative without the written agreement of SMO and normal wear.
 4. If SMO produces items on the basis of Purchaser's design data, drawings or models, SMO's liability shall not extend to the accuracy of the design but as to whether the workmanship complies with purchaser's instructions. In such cases, purchaser shall keep SMO harmless and free from any court action in the event of an infringement of proprietary rights.



5. SMO expressly disclaims any representations or warranties concerning whether the services and deliveries will produce any specific result or perform any particular function.

VII. Limitation of Liability

1. SMO'S liability for any damages arising out of or related to this agreement is in any case limited to 5 % (five percent) of the contract price .

2. In no event will SMO be liable for any special, indirect, incidental, consequential, exemplary or punitive damages (including, without limitation, any and all damages from business interruption, loss of profits or revenue, cost of capital, or loss of use of any property or capital), even if SMO has been advised of, or is otherwise aware of, the possibility of such damages and/or claims. The exclusion of such damages will be deemed independent of, and shall survive, any failure of the essential purpose of any limited remedy arising from the services or these exclusions and limitations on damages will apply regardless of how the loss or damage may be caused and against any theory of liability, whether based in contract, indemnity, warranty, tort, strict liability, negligence, or any other theory, except for intent and gross negligence.

3. In no event will SMO be liable for any damages resulting from the Product Liability Act. BGBL (99/1 988) as well as product liability claims which are deducted from other regulations are excluded.

4. The reversal of the burden of proof according to § 1298 of the Austrian General Civil Law Code is excluded.

5. The purchased object provides only that level of safety that may be expected on the basis of the registration provisions and the operating instructions submitted.

6. For cases of minor negligence the damages are limited to 5 % of the order value or EUR 50.000,-- as a maximum, unless article VII/1 applies.

7. All claims for damages due to defects in deliveries and/or performances must be filed in court within one year after the expiry of the contractually agreed warranty period if seller does not expressly accept the defect, otherwise all claims become extinct.

8. SMO's liability vis-a-vis buyer shall be precluded for any stillstand in production, loss of profit, loss of contract or any other economic or indirect consequential damage.

VIII. Non-Disclosure of Proprietary Information

From time to time the Parties may need to exchange proprietary information.

"Proprietary Information" means any information, technical data or know-how in whatever form that is not generally known and is

proprietary Information also includes information disclosed orally or visually if the disclosing Party:

(i) identifies it as Proprietary Information before disclosure;

(ii) reduces it to written summary form and marks it as being confidential, proprietary or trade secret; and

(iii) transmits the written summary form to the receiving Party within 30 days after disclosure. For 30 days from disclosure, oral or visual information will be provided the same protections as provided Proprietary Information under this Agreement.

The receiving Party will not use or disclose Proprietary Information, except if expressly permitted. Each Party will protect Proprietary Information using the same degree of care it uses to protect its own Proprietary Information, but in no event less than a reasonable degree of care. Neither Party will be liable for inadvertent disclosure or use, provided that upon discovery of any inadvertent disclosure or use, the receiving Party notifies the original disclosing Party promptly, and endeavours to prevent any further inadvertent disclosure or use.

The receiving Party has no duty to protect information that is:

(a) developed by the receiving Party independently of the disclosing Party's Proprietary Information;

(b) obtained without restriction by the receiving Party from a third party who had a legal right to make the disclosure;

(c) publicly available other than through the breach of this Agreement by the receiving Party;

(d) released without restriction by the disclosing Party to a third party; or

(e) known to the receiving Party at the time of its disclosure, without an existing duty to protect the information.

The receiving Party may disclose Proprietary Information only to its employees and contract employees (collectively "employees") having a need-to-know with respect to the intent of the relevant order. Each Party must ensure that its employees are aware of these obligations and are also subject to the Parties' confidentiality obligations. The receiving Party may disclose the disclosing Party's Proprietary Information to a third party with respect to the intent of the relevant order if:

a) the disclosing Party first authorizes it in writing;

b) the receiving Party under the relevant order requires the third party recipient to enter into a proprietary information agreement containing terms and conditions no less stringent than those imposed upon the receiving Party under the relevant order; and

c) the receiving Party provides an executed copy of the proprietary information agreement to the disclosing Party within 15 days.

During the term of the relevant order, the receiving Party may use the Proprietary Information strictly in connection with the intent of the order and not use Proprietary Information for any other purpose whatsoever. The receiving Party may make a

limited number of copies of Proprietary Information as is necessary to complete the Purpose. All copies made will reproduce the restrictive legends on the original.

Except as expressly authorized, the receiving Party will not use or disclose the disclosing Party's Proprietary Information, in whole or in part, for any other purpose.

Nothing grants or confers any rights on the part of any party by license or otherwise, express or implied, to any invention, discovery, or to any patent covering the invention or discovery.

The receiving Party will promptly notify the disclosing Party if faced with legal action or a request under government regulations to disclose any of the disclosing Party's Proprietary Information. If the disclosing Party requests, the receiving Party will cooperate in all reasonable respects to contest the disclosure, or obtain a protective order or other remedy. Except in connection with a failure to discharge the responsibilities set forth in the preceding sentence, neither Party will be liable in any way for any disclosures made under judicial action or government regulations.

Within (180) days after the termination of the relevant order and upon written request of the disclosing Party, the receiving Party will return to the disclosing Party all of the disclosing Party's Proprietary Information and all copies. If not returned, the receiving Party will destroy and provide a written confirmation of destruction to the disclosing Party.

The terms and conditions of this "Non-Disclosure of Proprietary Information" section will survive expiration or any termination of the relevant order.

Nothing in these conditions intended to operate and shall not be construed to operate as a grant of rights, title or interest in any of SMO's intellectual property. No license or right, either expressly, implicitly, by estoppel, conduct of the parties, or otherwise, is granted by SMO to the purchaser, unless expressly agreed.

IX. Inventions / Industrial Rights

1. Inventions, equipment and processes, made by SMO collaborators within the range of the offered engineering services and/or deliveries, remain with SMO. SMO shall have all rights, titles and interest in and to all Work Products.

2. SMO shall be exclusively justified to announce patents under its own name and at its own expense worldwide.

3. The purchaser shall be authorized to use such inventions for the specific purpose of the relevant order. In this case, SMO will keep the remuneration for SMO collaborators, legally owed by the client.

4. If necessary for the specific purpose of the relevant order, the purchaser will have the right to use existing patents of SMO and to produce components using these patents under license, for a fee to be mutually agreed upon at that time.

X. Data protection

1. SMO shall have the right to store, to communicate, to process and delete person-related data of purchaser in the framework of their business relations.

2. The parties shall undertake to keep absolutely confidential vis-a-vis third parties any knowledge obtained in the course of their business relationship.

XI. Acceptance of Costs:

As a matter of principle the FACTORY will not accept any costs arising in the receiving country, irrespective of whether such costs are customs' duties or other imposts or dues of any sort whatsoever. This also applies to any costs that may arise in Austria due to statutory provisions in the receiving country (consular fees and the like). This rule applies to the delivery of complete items, advertising material, technical literature etc.

XII. Place of Jurisdiction, Applicable Law

Place of jurisdiction is the competent court of law in Steyr.

SMO reserves the right to file claims against the purchaser also at the latter's place of jurisdiction. The parties may agree that an arbitral tribunal has jurisdiction.

These Terms of sale and delivery shall exclusively be construed and governed by Austrian law. It is mutually agreed that the UN Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded.

Edition: October 2011