

General Conditions of Purchase

1. Scope of application

The following provisions govern the conditions for orders placed by **Stadler Bussnang AG, Stadler Altenrhein AG or Stadler Winterthur AG** (each of them individually the "Purchaser") for the processing or manufacture and/or delivery of goods as well as the provision of services. The General Conditions of Purchase form an integral part of the individual contract. Deviating agreements made in writing on an individual basis remain reserved.

These mutual General Conditions of Purchase replace the former valid General Conditions of Purchase for the individual companies Stadler Bussnang AG, Stadler Altenrhein AG and Stadler Winterthur AG.

2. Individual contract

An order to the supplier is only deemed to be valid and binding upon the written agreement between the Purchaser and the supplier or upon the supplier accepting a written order from the Purchaser.

The failure of the supplier to respond to a written order from the Purchaser shall be deemed to be acceptance of the conditions named therein in every case, including these General Conditions of Purchase, even if they deviate from the supplier's quotation.

The failure on the part of the Purchaser to respond to an order confirmation of the supplier deviating from the Purchaser's written order and/or from these General Conditions of Purchase shall not be deemed to constitute acceptance of the order confirmation. If any order confirmation deviating from the written order and/or from these General Conditions of Purchase is not confirmed in writing by the Purchaser, no valid individual contract will be deemed to have been concluded. If the supplier executes the order nonetheless, the conditions of the written order and these General Conditions of Purchase shall apply.

Any General Conditions of Sale of the Supplier shall not be applicable.

3. Compensation

The prices determined and agreed by the parties in the individual contract are binding. Subsequent price increases are only permitted with the written agreement of the Purchaser, even if the price increase is due to a change in the order by the Purchaser. All the costs incurred in relation to transportation, insurance, customs clearance, fees and taxes are governed by Incoterms 2010, DDP Stadler Bussnang or Stadler Altenrhein, and/or Stadler Winterthur. Subject to deviating agreements, the prices thus quoted include VAT at the applicable rate.

4. Delivery of goods

The Supplier is responsible for the correct and complete declaration of his deliveries to the Purchaser, taking into account the place of delivery and the corresponding regulations in accordance with the delivery terms (Incoterms) laid down in the individual contract. This applies in particular to the regulations concerning a) preferential goods, b) customs origin of the goods and c) civil and military goods (dual use) which are subject to special national and European (EU) or US American regulations. Dual-use goods must be clearly identified by the supplier with the corresponding classification (EKN no.) and listed on all documents (order confirmation, delivery note, invoice). The supplier shall be liable for damage and other consequences incurred by the purchaser as a result of incorrect or late submission of the required certificates, declarations and classifications for which the supplier is responsible.

The supplier's invoices are due for payment within 30 days of the Purchaser taking delivery. This is subject to any objections raised for invoices deemed not to be correct.

5. Changes

The supplier is obliged to inform the purchaser about all desired changes as well as to accept the purchaser's requests for changes at any time. The supplier shall inform the Purchaser in a written quotation of the costs and implications for deadlines caused by the changes requested. The changes can only be carried out insofar as written confirmation has been received from the Purchaser. Otherwise, the execution of changes does not entitle to any price and/or deadline adjustments.

6. Delivery dates

The supplier shall bear full responsibility for, and fully warrants, compliance with the delivery dates agreed on an individual basis. The supplier is obliged to inform the customer immediately of any imminent delays in delivery and to submit a plan as to how the imminent delay in delivery can be prevented or reduced. Once these dates have been exceeded the supplier is automatically deemed to be in default. In the event of deadlines being exceeded the supplier shall be liable to the Purchaser for all the ensuing direct and indirect damages caused by late delivery. The amount of late delivery penalties (liquidated damages) of the supplier in the event of deadlines being exceeded is governed by the information in the written order of the Purchaser.

If the supplier is in default, the Purchaser is also entitled to fix an appropriate period for the subsequent performance of the contract and, should this period be exceeded, in addition to any penalties and damages that are levied due to late delivery, to insist on performance of the contract, or instead forego retrospective performance and demand compensation for the damage resulting from the non-performance or to withdraw from the contract in full or in part.

7. Warranty

The supplier shall provide a full warranty guaranteeing the freedom from defects of the goods that he processed, manufactured and/or supplied, and for the services that he rendered, for thirty-six (36) months from acceptance of the vehicles by the end client, but for forty-two (42) months at most following delivery. The supplier shall warrant the soundness and the quality specified in the individual contract as well as compliance with the relevant norms and standards regarding occupational, product and operational safety.

The Purchaser is entitled to notify any kind of defect during the full warranty period of three years, and of forty-two (42) months, respectively. He is consequently released from any legal duties of examination and defect notification. A good delivered or service provided by the supplier is defective within the meaning of these warranty provisions if it does not correspond to the specifications as set out in the individual contract or if it is not fit for purpose or is only partly fit for purpose.

The supplier is obliged to, at Purchaser's option, repair or replace the defective goods and make good poor workmanship within an appropriate period of time and free of charge. If the supplier is not able to rectify the defects that have been notified within an appropriate period of time, the Purchaser is entitled either a) to rectify the defects himself or arrange for a third party to do so, both at the supplier's expense, or b) to request a commensurate reduction of price or c) to withdraw from the contract.

The supplier is liable in full to the Purchaser for all damages incurred by the Purchaser, either directly or indirectly, as a result of non-performance or bad performance of the contract.

If a product that has been processed, manufactured and/or delivered by the supplier should result in injury to persons or damage to property due to defects, then the supplier is obliged to accept full liability for any resulting claims and to indemnify the Purchaser as well as the other Stadler Group companies in full. The supplier's liability for damages also applies to the costs and time and effort incurred by the Purchaser in connection with informing and warning customers as well as the recall of products, etc. The supplier hereby undertakes to conclude a public and product liability insurance contract with sufficient cover and to provide the Purchaser with the respective insurance certificate upon request.

8. Hazardous or non-registered materials

The supplier ensures that all the materials that are used, which are subject to the EU chemical regulation REACH, are registered and authorised, respectively, in accordance with this regulation, taking into account the contractually determined use of the materials with the Purchaser. This also applies to suppliers outside the EU. The supplier shall produce appropriate proof of compliance with this obligation upon the request of the Purchaser. Safety data sheets must be current and shall be available electronically, and they must be automatically provided with the first delivery of a product, respectively.

9. Industrial and intellectual property rights

The supplier warrants that the goods that he has manufactured and/or supplied do not infringe the industrial or intellectual property rights of third parties. The supplier must compensate the Purchaser in full for any damages arising from an infringement of this nature.

10. Property of the Purchaser

All documentation, records, drawings, models, matrices, samples, computer programs, tools, etc. made available to the supplier by the Purchaser remain the unrestricted property of the Purchaser and must be returned to the Purchaser in sound condition at the end of the relevant individual contract at the latest. Without the written consent of the Purchaser such objects may not be passed on to third parties or made available for them to view, nor may they be copied or destroyed.

All materials, as well as semi-finished and finished products, given to the supplier for processing, assembly, examination or finishing remain the unrestricted property of the Purchaser. The supplier is obliged to maintain the respective objects and to insure them adequately against fire, explosion, theft and natural hazard. Until he returns the objects that have been entrusted to him by the Purchaser, the supplier bears the risks associated with the damage and loss of the objects.

The supplier shall be liable, vis-à-vis the Purchaser, for all damages incurred by the Purchaser in connection with the making available of the abovementioned objects. This includes, in particular, damage to the objects themselves as well as all further direct and indirect damages that result from the incorrect maintenance, destruction, loss and the delayed return of these objects.

The assertion of retention rights over the property made available to the supplier by the Purchaser is excluded.

11. Confidentiality

The parties hereby undertake to treat all documents and information received from the other party with absolute discretion at all times and to make these available to third parties only insofar as this is absolutely necessary for the performance of the individual contract.

All documents received from the counterparty and any copies thereof must be returned at the end of each individual contract at the latest.

12. code of conduct

The supplier undertakes to comply with the requirements of the code of conduct agreed with the purchaser.

It shall also take appropriate measures to ensure that its subcontractors, representatives or other agents also comply with the obligations arising from the agreed Code of Conduct and that they comply with the standards and specifications listed therein.

In particular, the Supplier confirms and undertakes that at the time of the entry into force of this business relationship as well as during its term, he himself, his directors, employees, agents or other representatives and bodies will not offer, promise, give, approve, solicit or accept any unreasonable advantages which are in any way connected with the business activities of the Supplier or that they have not done so until the entry into force of this business relationship.

In the event of a breach of this Clause, the Purchaser may, for important reason, withdraw from the respective individual contracts in whole or in part and claim damages.

13. Obsolescence, Notices of discontinuation

Notices of discontinuation (Parts Discontinuing notice) of products and spare parts must be sent in writing by email to obsoleszenz@stadlerrail.com stating the last Stadler order number and the name of the successor product and the date of the last possible order.

14. Group companies clause

The Purchaser is entitled to transfer the rights and/or obligations from the individual contracts to companies affiliated with him (including also sister companies).

15. Final provisions

Changes and amendments as well as the cancellation of individual contracts between the Purchaser and the supplier must be made in writing and signed by both parties.

The contractual relationships between the Purchaser and the supplier are governed by substantive Swiss law, to the exclusion of its regulations concerning conflicts of legal systems and to the exclusion of the provisions of the Convention of the United Nations on Contracts for the International Sale of Goods (Vienna Sales Convention). The ordinary Swiss courts at the place of registered office of the Purchaser shall have exclusive jurisdiction with respect to any and all disputes that arise out of or in connection with the contractual relationships between the Purchaser and the supplier.