

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

of

RAIL SAFETY SYSTEMS BV

**Filed with the Chamber of Commerce in Limburg (the Netherlands)
under file reference number 51860090.**

Article 1 Applicability

- 1.1 In these general terms and conditions of sale and delivery, the following terms are defined as stated below:
- "RSS": Rail Safety Systems BV, listed in the Dutch Commercial Register under file reference number 51860090, or an affiliated company;
 - "product" or "products": goods offered or supplied by RSS;
 - "The Client": the natural or legal entity instructing RSS to supply products.
- 1.2 These terms and conditions apply to all offers and/or agreements made or entered into by RSS to/with third parties, as well as the execution thereof.
- 1.3 These terms and conditions apply and exclude any general conditions applied by the Client.
- 1.4 Stipulations varying from these terms and conditions can only be invoked by the Client if and insofar as these have been accepted by RSS in writing.

Article 2 Offers, instructions and agreements

- 2.1 All offers made by RSS are without any obligation. Instructions given and offers accepted by the Client are irrevocable.

- 2.2 RSS shall be bound only if it has confirmed the instruction in writing or has started the execution. RSS shall further be bound in accordance with its acceptance only.
- 2.3 Any or alleged inaccuracies in the confirmation of order must be reported to RSS by the Client in writing within three days of the confirmation, failing which the confirmation of order shall be deemed a full and correct reflection of the agreement.
- 2.4 Verbal promises or agreements by or with its staff does not bind RSS until after and insofar as RSS has confirmed this in writing.
- 2.5 These general terms and conditions fully apply to any changes in the agreement.

Article 3 Conformity

- 3.1 All specifications by RSS stating quantities and/or other information with regard to its products are made with the utmost care. However, RSS cannot guarantee any inaccuracies occurring in this respect. When taking delivery of the products, the Client must ensure that the quantities and/or other information specified by or agreed with RSS correspond. Specifications by RSS in relation to dimensions etc. are approximates only and subject to contract.
- 3.2 Illustrations, descriptions, catalogues, promotional material and offers do not bind RSS.
- 3.3 If the products ordered by the Client are destined for use outside the Netherlands, the Client must ascertain that the products and corresponding packaging, manuals etc. meet all government regulations imposed in the

country of destination. The use of the products and the conformity thereof with governmental provisions shall be at the risk of the Client.

Article 4 Details and indemnification

- 4.1 The Client guarantees the correctness, completeness and reliability of the details and information details made available by or on behalf of him to RSS. RSS shall only be obliged to (continue to) execute the instruction, if the Client has provided all details and information required by RSS. If information required for the execution of the agreement is not available to RSS or is not available in time or in accordance with the arrangements, or if the Client fails to fulfil his obligations in any other way, RSS shall also be entitled to charge the resulting costs in accordance with its customary rates.

Article 5 (intellectual) Property

- 5.1 All intellectual and industrial property rights with regard to the products and the design thereof and everything RSS develops, produces or provides, whether or not on the instruction and/or at the expense of the Client, including drawings, designs, models, inventions and illustrations, are vested in RSS.
- 5.2 Quotations, drawings, calculations, descriptions, models and designs as well as (trial) products prepared, provided and/or made available by RSS are and continue to be the property of RSS, regardless of whether or not the Client has been charged for it.
- 5.3 The Client is not allowed to change or remove from the products any notices pertaining to patents, copyrights, brands or trade names or pertaining to any other intellectual or industrial property rights.

Article 6 Prices

- 6.1 The prices stated by or agreed with RSS include packaging costs, but are exclusive of VAT and other taxes or duties imposed or levied with regard to the products and the transport thereof.
- 6.2 The prices stated by RSS are calculated on the basis of delivery Ex Works (Incoterms 2010).
- 6.3 If RSS has carried out additional work and/or services without having explicitly agreed on a price for this in writing, it shall be entitled to charge the Client the actual costs and/or to charge for this in accordance with its customary rates.
- 6.4 If cost-determining factors such as taxes, excise, customs, wages and the prices of goods and/or services (whether or not purchased by RSS from third parties) change after the offer and/or after the formation of the agreement, RSS shall be entitled to adjust the prices accordingly.

Article 7 Delivery and delivery time

- 7.1 Stated delivery times are approximates only and can never be deemed final deadlines. Delivery shall in any case never be effected until the first partial payment, as invoiced by RSS, has been paid by the Client and received by RSS in full. Exceeding the delivery time does not oblige RSS to pay compensation and does not give the Client the right not to fulfil or suspend his obligations by virtue of the agreement. However, the Client shall be entitled to dissolve the agreement if and insofar as RSS has failed to execute the instruction at a later date, within a term set by the Client equal to the delivery time stated or agreed initially and provided exceeding the delivery time cannot be attributed to failure by the Client to pay the first partial payment. In that instance, RSS is not obliged to pay compensation.

- 7.2 The delivery time is based on the working conditions applicable at the time that the agreement was concluded and on timely delivery of the goods required by RSS in order to perform the agreement. If a delay is incurred due to a change in the working conditions and/or the late delivery of goods required by RSS, the delivery time shall be extended, insofar as necessary.
- 7.3 The delivery time is extended by the period of delay incurred by RSS due to the Client failing to meet any obligation by virtue of the agreement or failing to render the assistance requested from him with regard to the execution of the agreement.
- 7.4 The delivery of the products is effected from the moment that products have been segregated for the Client. The products are at the risk and expense of the Client as from delivery, even if ownership is yet to be transferred.
- 7.5 Transport and/or dispatch of the products is carried out at the risk of the Client. The Client is obliged to take possession of the products immediately after arrival at the place of destination.
- 7.6 If the Client does not take possession of the goods or if he fails to collect them or have them collected, they shall be stored at the expense and risk of the Client, for as long as deemed desirable and/or necessary by RSS. In that case and in the event of any other (imputable) failure on the part of the Client, RSS shall at all times be entitled, at its discretion, to either claim performance of the agreement or to dissolve the agreement (without the necessity for court proceedings), without prejudice to its right to compensation for the losses suffered and profits lost, including the storage costs.
- 7.7 RSS is not obliged to comply with a request of the Client for further or subsequent delivery. If RSS does decide to do so, the costs involved shall be at

the expense of the Client.

- 7.8 RSS is entitled to execute an agreement in parts and to demand payment for those parts of the agreement that have been completed.

Article 8 Force majeure

- 8.1 If RSS is unable to perform the agreement due to force majeure, it shall be entitled to suspend the execution thereof and is therefore no longer bound by any delivery time. In that case, the Client is not entitled to compensation of damage, costs or interest.
- 8.2 Force majeure events are deemed to include: war, the threat of war, mobilisation, riots, state of siege, strikes, selective strikes or work-to-rule actions and lockouts, fire, accidents involving staff or staff illness, operational failures, transport delays, impeding statutory provisions, restrictions on imports/exports or other government-imposed restrictions, shortage of raw materials, problems in the production or transport not foreseen by RSS, as well as any other circumstance that does not solely depend on the will of RSS, such as the non-delivery or late delivery of goods or services by third parties engaged by RSS.
- 8.3 In the event of a situation of force majeure, RSS is entitled to dissolve that part of the agreement that cannot be executed by means of a written statement. If the situation of force majeure exceeds a period of 6 weeks, the Client too shall be entitled to dissolve that part of the agreement that cannot be executed by means of a written statement.
- 8.4 Should RSS have already partially fulfilled its obligations when the situation of force majeure commences, or only be able to fulfil its obligations partially, it shall be entitled to charge the Client for the part delivered and/or to be delivered

and the Client shall be obliged to pay this invoice as if it concerned a separate agreement.

Article 9 Warranty and complaints

- 9.1 RSS guarantees the reliability of the products it has supplied in accordance with what the Client may reasonably expect by virtue of the agreement. If nevertheless the products supplied by RSS manifest manufacturing faults and/or faults in the material, RSS shall repair these faults, make available the parts necessary for the repair or offer a reasonable reduction in price, all this at the discretion and the exclusive assessment of RSS. This warranty remains valid for a period of two (2) months after delivery, unless explicitly agreed otherwise in writing.
- 9.2 Defects that occur due to or that are (partly) caused by the following fall outside the warranty in any case:
- normal wear and tear;
 - failure by the Client or third parties (or their staff) to observe the instructions in the manual;
 - improper use or use other than as normally intended;
 - improper or overdue maintenance;
 - repairs or other work carried out by third parties or the Client without the prior written approval of RSS;
 - parts purchased by RSS from third parties, insofar as these third parties did not issue RSS with a warranty.
- 9.3 The Client must inspect the goods immediately after delivery, at the risk of forfeiting all rights to complain and/or other rights under the warranty. Any complaints with regard to the quantity of products delivered must be noted down on the consignment or delivery note, failing which the quantities stated on

the consignment or the delivery note shall constitute conclusive evidence to the contrary against the Client.

- 9.4 Claims under the warranty must be submitted to RSS by registered letter, within 8 days of the defect occurring. Failure to complain in time shall cause any claim against RSS to lapse.
- 9.5 If the Client submits a complaint, he is obliged to enable RSS to inspect the products (or have these inspected) in order to establish the shortcoming. The Client is obliged to keep the products that are subject to the complaint available to RSS, at the risk of forfeiting all rights to complain and/or other rights under the warranty.
- 9.6 Returning sold products to RSS, for whatever reason, is subject to the prior written authorisation accompanied by dispatch and/or other instructions from RSS. Transport and all corresponding costs are at the expense of the Client. The products remain at the Client's expense and risk, at all times. RSS shall reimburse the transport costs, if it is found to have failed attributable.
- 9.7 Any faults in respect of part of the products delivered do not give the Client the right to reject or refuse the entire batch of products delivered.
- 9.8 Any rights under the warranty or the right to complain are forfeited if the Client fails to fulfil any obligation arising from the underlying agreement towards RSS, or fails to do so promptly or properly.
- 9.9 Complaints do not suspend the Client's obligation to pay.
- 9.10 After having found a shortcoming in a product or service, the Client is obliged to do or omit all that is necessary to prevent or limit any damage, which explicitly includes the immediate discontinuation of the use or marketing thereof.

Article 10 Retention of title

- 10.1 RSS retains title to the products delivered and to be delivered until any amounts owed to it in respect of the goods delivered and to be delivered have been paid in full by the Client, which includes any amounts owed due to failure in the performance of one or agreements.
- 10.2 If the Client fails to meet one or more of his obligations, RSS shall be entitled to take back the products that belong to RSS from where they are stored at the expense of the Client.
- 10.3 The Client is not entitled to pledge any unpaid products or to transfer the ownership thereof. The Client is obliged to store the products delivered subject to retention of title with the necessary care and as the recognisable property of RSS.

Article 11 Payment

- 11.1 RSS invoices instructions/orders placed by the Client in two parts:
- 50% of the total order amount when the order is placed;
 - 50% of the total order amount upon delivery.
- 11.2 The invoices of RSS must be paid within 14 days of the invoice date, in the currency stated on the invoice and solely in the manner indicated on the invoice, unless otherwise agreed in writing. RSS is at all times entitled to demand full or partial payment in advance and/or to obtain alternative security for payment.
- 11.3 If payment is not received in time, the Client, without further notice of default being required, owes interest on the invoice amount of 1.5% per month, calculated from the due date until the day payment is received, whereby any

part of the month shall be deemed a full month.

- 11.4 All collection charges shall be at the expense of the Client. The extrajudicial collection costs amount to at least 15% of the amount to be collected, subject to a minimum of € 250.
- 11.5 The Client waives any right to set off any mutual amounts owed. RSS is entitled to set off any amount it owes the Client against the amounts owed by the Client and/or its affiliated companies to RSS, whether or not due or subject to conditions or a time limit, at all times.
- 11.6 In the event of non-payment within the agreed term, the entire invoice amount shall become due and payable on the due date, as well as in the event that the Client is declared insolvent, applies for a (provisional) moratorium on payments, the Debt Management (Natural Persons) Act is declared applicable to him or if an application for a guardianship order has been filed, in the event of seizure of any of the goods and/or claims of the Client, if he dies, is liquidated or dissolved. If one of the situations referred to above occurs, the Client is obliged to immediately inform RSS thereof.
- 11.7 Any payments made by the Client shall first be applied to settle any costs payable, then to settle any interest due and finally to settle any invoices that have been outstanding longest, even though the client states that the payment relates to a subsequent invoice.

Article 12 Cancellation

- 12.1 The Client is not allowed to cancel any orders placed. If the Client nevertheless cancels an order, either wholly or in part, he is obliged to reimburse RSS for all costs reasonably incurred for the purpose of executing this instruction, the work carried out by RSS and any profits lost by RSS, plus VAT.

Article 13 Advice

- 13.1 All advice, statements and/or specifications given by RSS on the properties and/or results of the products to be delivered by RSS are subject to contract and given by RSS as non-binding information. RSS does not issue any guarantees in that respect.
- 13.2 RSS cannot be held liable for any direct or indirect damage, in whichever shape or form and for whatever reason, arising from the information provision and/or advice referred to in article 13.1. The Client indemnifies RSS against all third-party claims in this respect, unless in the event of intention or gross negligence on the part of RSS.
- 13.3 The Client is not allowed to publish or disclose to third parties the contents of advices and other messages, whether or not in writing, of RSS, unless the prior written approval of RSS has been obtained.

Article 14 Liability

- 14.1 Except for the provisions referred to in article 9, the Client cannot exercise any claim against RSS due to defects in or in relation to products delivered by RSS. Hence RSS cannot be held liable for direct and/or indirect damage, including personal injury and property damage, intangible loss, consequential loss (trading loss and/or business interruption loss) and any other damage or loss, regardless of the cause, unless in the event of gross negligence or intent on the part of RSS.
- 14.2 Nor can RSS be held liable within the meaning referred to above for actions by its staff or other persons that fall within its control, which actions include (gross) negligence or intent by these persons.

- 14.3 Damage to products caused by damaging or destructing the packaging is at the expense and risk of the Client.
- 14.4 If RSS, on the basis of facts and/or circumstances known to them at that time, decides to exercise its right of suspension or termination, while subsequently it is irrevocable established that exercising this right was unjust, RSS shall not be liable and not be obliged to pay any compensation, unless in the event of gross negligence or intention on the part of RSS.
- 14.5 In all instances in which RSS is obliged to pay compensation, the amount shall never exceed the invoice value of the goods and/services delivered which caused the damage or in relation to which the damage was caused, subject to a maximum of € 5,000. If the damage is covered by the corporate liability insurance of RSS, compensation shall further be subject to the maximum amount effectively paid by the insurer in the relevant case.
- 14.6 Every claim against RSS lapses 12 months after the claim was formed, unless RSS acknowledges the claim.
- 14.7 The Client indemnifies RSS and the staff members of RSS against every third-party claims, including product liability claims, in connection with the performance of the agreement by RSS, regardless of the cause.

Article 15 Representation

- 15.1 If the Client acts on behalf of one or more other parties, he shall be liable to RSS as if he were the direct Client, without prejudice to the liability of those other parties.

Article 16 Final provisions

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- 16.1 The nullity or voidability of any provision of these terms and conditions or agreements which are subject to these terms and conditions, does not affect the validity of the other provisions. RSS and the Client are obliged to replace void or voided provisions by provisions that *are* valid, which provisions shall reflect the purport and tenor of the void or voided provision as closely as possible.
- 16.2 The place of performance shall be deemed the place where RSS has its place of business.
- 16.3 The operation of any international treaty in respect of the sale of movable physical property, the operation of which can be excluded between the parties, does not apply and is hereby explicitly excluded. More in particular, the applicability of the 1980 Vienna Sales Convention (CISG) is explicitly excluded.
- 16.4 All disputes between RSS and the Client shall in first instance and exclusively be submitted to the District Court of Roermond, unless a different Dutch court has jurisdiction pursuant to mandatory legal provisions. In departure thereof, RSS shall be authorised to apply to the District Court of the place of business of the Client.
- 16.5 All agreements concluded by RSS as well as the performance thereof are exclusively governed by the laws of the Netherlands.
- 16.6 The Dutch text shall be decisive in the explanation and interpretation of these general terms and conditions.

