

GENERAL TERMS AND CONDITIONS

**General Terms and Conditions of RECARO Child Safety GmbH & Co. KG
(Stand: January 2015)**

I. Scope of application

These general terms and conditions apply for all contracts about deliveries and services of RECARO. This applies as well if the buyer has advised any own differing terms and conditions. Buyer's conditions shall not be accepted either unless we expressly contradict to them again upon their receipt.

Verbal agreements shall only be binding for us if and as far as we have confirmed them in writing.

Any amendment of these general terms and conditions becomes content of contract between us and the buyer if the buyer agrees to this amendment or does not protest against it in writing within one month upon announcement of this amendment. Our general conditions of sale and delivery are taken as a basis for any business later concluded between us and the buyer, even if in the isolated case it has not been referred to our conditions.

These general terms and conditions shall apply for the following RECARO locations and companies:

Germany: RECARO Child Safety GmbH & Co. KG
Great Britain: RECARO Child Safety Ltd.
France: RECARO Child Safety S.A.S.

II. Offer and Supply Contract

Our offers are subject to change. The types and quantities of the goods which we have specified as being in stock are expressly subject to prior sale. The buyer shall be bound by his order for the period of 14 days following receipt thereof by us. Legal agreements shall be established in accordance with our written order confirmation. In order to be valid, oral collateral agreements, undertakings, contractual supplements or contractual amendments shall be subject to our written confirmation.

We retain the title and copyright to designs, drawings and other documents; these may not be made accessible to any third party.

III. Execution of the delivery

Minor deviations in form, material, color, dimensions, weight and function remain reserved. Descriptions and illustrations are only approximately authoritative.

IV. Prices

The prices include the packaging; special packaging shall however be charged at cost price. Packaging will not be taken back. In the absence of a special agreement, the insurance costs shall be borne by the buyer. Insofar as not otherwise agreed, the prices do not include value added tax. This shall be additionally payable.

In the event of material prices, wages or other costs beyond our control rising between the time of the conclusion of the agreement and the delivery, then we shall be entitled to amend the agreed prices.

V. Terms of payment

Unless otherwise agreed, invoices are due for payment immediately upon their receipt. Deliveries to buyers unknown to us are exclusively made against advance payment. Should the buyer fall into arrears with payments, we are entitled, under restriction of the assertion of a further claim, to charge interest to the amount of 8 % above the respective base interest rate of the European Central Bank, if the buyer is not a consumer. If the buyer is a consumer, interest amounting to 5 % above the respective base interest rate of the European Central Bank will be charged.

Payments by bill of exchange shall not be accepted.

VI. Delivery deadline

On principle, the delivery deadline starts with sending our order confirmation, however, as an exception of this principle at the earliest after clarification of all details of execution.

Our delivery obligation is suspended for as long as the buyer is in arrears with the performance of an obligation arising out of this or another agreement.

Force majeure, official measures, civil commotions, strikes, lock-outs, lack of workers, energy, raw materials or auxiliary materials, transport disruptions, difficulties relating to the procurement of means of transport, the failure of upstream suppliers to adhere to delivery deadlines, or other circumstances for which we are not responsible but which hinder punctual or proper manufacture or delivery shall entitle us to extend delivery periods by the duration of the hindrance and to impose a reasonable start-up period, or to withdraw from the part of the Agreement which has not yet been performed.

Should we fall behind delivery commitment, then the buyer may impose a grace period of at least three weeks, and may then withdraw from the Agreement if we fail to make the delivery within this grace period. Should this delay be limited to a partial

performance, then the buyer may only withdraw from the entire Agreement if he has no interest in the partial performance. Further claims brought on the grounds of default or non-performance, in particular claims for damages, and shall be excluded insofar as the default or the non-performance has not been committed wilfully or through gross negligence. In the case of gross negligence, our liability for damages shall be limited to the loss foreseeable at time of the signing of the Agreement.

VII. Transfer of risk and dispatch

The risk shall be transferred to the buyer at the latest at the time of the sending of the goods to the buyer. The transportation of the goods shall be performed at the risk of the buyer.

Should the buyer not take delivery of the goods made available or delivered at the agreed time, the buyer shall be deemed to be in default. In this event we are entitled to store the goods at our discretion and at the buyer's cost and risk and to charge them as delivered ex works. If the buyer has not taken delivery of the goods within 14 calendar days after the agreed date of delivery and has not paid the purchase price, we are entitled to set via Email or Fax another appropriate deadline for taking delivery. After expiration of this further deadline we are entitled –without further notification – to sell the goods to third parties at our discretion.

If the shipment of goods has been agreed with the buyer, the choice of the dispatch type sequence and the mode of transportation is left to us; we are obliged to make our choice with the care of an ordinary businessman, but we shall be exclusively liable for insufficient care and in case of intent or gross negligence.

VIII. Right of retention

Up until the complete satisfaction of all our claims vis-à-vis the buyer, irrespective of their legal basis, we shall have a right of retention to all objects which are to be delivered to the buyer or which belong to the buyer and are in our possession.

IX. Reservation of title

The delivered goods shall remain our property up until the payment of all our claims, irrespective of their legal basis, even if the purchase price has been paid for specially designated deliveries. In the case of a current invoice, the reservation of title shall represent a surety for the balance of our claim. The party ordering is entitled to dispose of the goods within the framework of his routine business activities, or to process these; however, they may not be pledged or assigned for security purposes. Processing or modification of the reserved goods shall not provide the buyer with the title to the new object in accordance with §950 BGB [German Civil Code]. The processing shall be performed by the buyer for us. If the reserved goods are processed together with other goods which do not belong to us, then we shall acquire joint ownership of the new object in proportion to the purchase price of the reserved goods relative to the other processed objects which do not belong to us. If the goods are mixed with or attached to other objects, then we shall become joint owners in proportion to the purchase price of the reserved goods relative to the other objects. The buyer shall in advance assign to us the title or the joint ownership of the mixed object or the new object, and shall store this with commercial prudence on our behalf. If the delivered goods or the objects which the buyer has produced from these goods are subsequently resold by the buyer, then he shall in advance assign to us his claims against his customers up to the level of the purchase price of the reserved goods. At our request the buyer must provide us with the information about the assigned claims which is necessary enable these to be collected, and shall notify the debtors about the assignment. The buyer must inform us without delay about any pledging of the reserved goods or other third-party attachments. We undertake at the request of the buyer to release the security interest to the extent that the claims exceed the value of the claims which are being secured by more than 20 %.

X. Warranty

For defects of the goods we shall only be hold responsible as follows: Defects cropping up within 24 months after handover, as a consequence of circumstances, verifiable before this time, will be exclusively replaced by delivery of an equivalent product. We shall bear the verifiable, reasonable, respectively arisen transport costs of the goods. Reimbursement of other or further costs is expressly excluded. Should the goods or parts thereof be exchanged, they revert to our ownership.

In the case of defects which are already apparent at the time of delivery, these shall only be recognized by us if the complaint is received by us in writing within 10 days of the receipt of the goods.

Warranty claims shall be without foundation if the goods have been modified without our consent or if our instructions concerning the treatment of the goods have not been adhered to, or if the defects are directly attributable to the fact that the buyer specified incorrect individual components or raw materials or provided us with defective technical documentation.

Defect rectification works or deliveries of spare parts must be performed within a reasonable period. Following the fruitless expiry of this period, the buyer may impose a grace period on us; if we also permit the grace period to pass without producing the desired result, then the buyer may demand only a reduction of the remuneration or the rescission of the agreement. Further claims, in particular claims for damages, including claims for the compensation of consequential damages and for damages arising out of positive breach of contract or brought on any other legal grounds, including insofar as the loss does not derive from defects within the meaning of the

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first paragraph shall be excluded unless the damage was caused by us will willful intent or through gross negligence. The liability shall under all circumstances be limited to the damages foreseeable at the time of the signing of the agreement.

We shall only be held responsible according to the aforementioned regulations. Should the retailer offer the buyer any warranty or guarantee beyond it, there is no liability on our part. This applies as well should the retailer give the buyer any incorrect details regarding the characteristics of the goods.

XI. Liability

We shall not be liable in the case of damage to the objects handed over to the ordering party or with respect to their suitability for the purpose desired by the ordering party, unless our statutory representatives, senior executives or vicarious agents caused the direct damage through willful intent or gross negligence, or willfully or with gross negligence failed to inform the party ordering about the lack of suitability. We shall not be liable for any consequential damages.

XII. Product liability

We shall not be held responsible for claims of product liability, should the claim be based on a not approved amendment of the goods or a failure by the retailer to comply with our instructions for treating the goods. The liability shall be excluded as well should the retailer have given the buyer any incorrect details about the characteristics of the goods. In these cases, the retailer shall release us from all such claims.

XIII. Place of fulfillment and jurisdiction

Unless otherwise agreed, the place of fulfillment for all deliveries, services and payments (by check as well) is the respective RECARO location.

The local law shall apply for all legal relations between the buyer and RECARO. The application of the uniform laws on sales as well as the UN sales law is excluded.

If admissible by law, the following is agreed as the place of jurisdiction for all claims resulting from the business relation.

RECARO Child Safety GmbH & Co. KG: Bayreuth
RECARO Child Safety Ltd.: Birmingham
RECARO Child Safety S.A.S.: La Rochelle

German law shall be exclusively applicable, insofar as this is not contrary to mandatory statutory provisions. Application of the Uniform Law on the Sale of Goods as well as the UN Sales Convention is excluded.

XIV. 14. Partial invalidity

Should any of the provisions contained in these General Terms and Conditions of Sale and Delivery being or becoming invalid, then this shall not affect the validity of the remaining provisions.