

General Conditions for Sale and Supply L 805 E

Definitions

In these General Conditions for Sale and Supply the following expressions shall have the meaning as herein after set out:

- "The Conditions" means these General Conditions for Sale and Supply for export.
- "SNAP-ON" means SNAP-ON EQUIPMENT GMBH, a company located in 84579 Unterneukirchen, Germany, Konrad-Zuse-Straße 1
- "The Customer" means any person, firm or corporation or legal assignee or successor of such person, firm or corporation which enters into an agreement with SNAP-ON that is subject to the Conditions set forth herein.
- "The Goods" means those items which are specified in SNAP-ON written confirmation of order.
- "The Reserved Goods" means those items sold and delivered in which title has not yet passed to the Customer including any new products manufactured or constructed by using such items.
- "The Contract" means the agreement between the Customer and SNAP-ON for Sale and Supply of the Goods to the Customer.

§ 1. General

- 1.1 The Customer accepts that these Conditions shall apply to all Contracts including future transactions between itself and SNAP-ON to the exclusion of any other terms, including any conditions, warranties or representations written or oral, expressed or implied, even if contained in any of the Customer's documents (i.e. the Customer's Standard Conditions for Purchase). Such conditions, warranties or representations are hereby expressly rejected.
- 1.2 Any variation from these Conditions as well as verbal, telegraphic or telephonic statements made by representatives, employees or agents of SNAP-ON are always provisional and require in order to be binding SNAP-ON's confirmation in writing which has to be signed by a person authorized to act for and on behalf of SNAP-ON. Any confirmation by telex, telefax, e-mail shall be sufficient.

§ 2. Offer – Offer Documents

- 2.1 SNAP-ON's quotes are subject to change and merely represent an invitation to the recipient, for his part, to submit an offer on the basis of such quote. Accordingly, a Contract does not have effect until the Customer places an order on the basis of SNAP-ON's quote and SNAP-ON confirms such order. This does not apply if SNAP-ON expressly identified a quote as legally binding.
- 2.2 In the event that an order from the Customer is to be qualified as an offer within the meaning of § 145 of the German Civil Code, SNAP-ON may accept such offer within two weeks.
- 2.3 All property rights and copyrights relating to illustrations, drawings, calculations and other documents are reserved. Irrespective of whether such documents are protected by law, they represent valuable business know-how; the Customer must neither disclose such information to third parties, nor use it for any commercial purpose except the one(s) of the relevant Contract without SNAP-ON's express consent. This does not apply to documents generally known.
- 2.4 Both parties undertake not to commercially use, or to disclose to third parties, any of the other party's business secrets which they come to know in the course of their co-operation under the Contract, except for the purpose of the relevant Contract. Such obligation to confidentiality lapses if and to the extent that business secrets become public knowledge through no fault of the relative other party. Moreover it will expire five years after termination of the parties' co-operation. Business secrets are trade secrets within the meaning of §17 of the German Act against Unfair Competition.

§ 3. Scope of Delivery

- 3.1 The scope of delivery is determined by SNAP-ON's written confirmation of order.
- 3.2 If not expressly declared to be binding, technical data are only approximate data. Weights and measures are specified within the admissible tolerances as set forth in technical rules or the industrial standards for measures, form and weight. The same applies to all further data and information contained in any other document in particular illustrations, drawings, descriptions, catalogues which intend merely to give a general description unless expressly stated otherwise and any person reading them may not rely on anything contained therein as being a representation of fact concerning the Goods sold and delivered by SNAP-ON or any warranty relating thereto whether as to their condition or otherwise. SNAP-ON reserves the right to permanently modify the technical conditions of SNAP-ON products and notes that technical data of the Products may change accordingly. Therefore, all data is subject to modifications. Any public statements or

advertisements are not binding and do in no way constitute an agreement about the quality of the Goods nor a guarantee according to the quality of the Goods or according to the fitness of the Goods for a specific purpose or according to the long-lastingness of the Goods.

In case the Customer attaches importance to specific data mentioned in such public statements or advertisements including but not limited to leaflets, catalogues, illustrations and drawings, the Customer shall verify the correctness of such data at the moment in time the Contract is concluded. Furthermore, for the quality of the Goods or for their fitness for a specific purpose only SNAP-ON description of the product made in SNAP-ON offer shall be binding between the parties.

- 3.3 SNAP-ON reserves title and copyrights and/or rights of author in any documents in respect of the Goods in particular drawings and estimates of costs. Such documents as aforesaid may only be used within the purpose under the Contract. The Customer is not allowed to disclose any such document as aforesaid to any third party without prior written consent of SNAP-ON. Upon SNAP-ON request any such document has to be returned to SNAP-ON.
 - 3.4 If not otherwise agreed upon in writing safety devices shall only be within the scope of delivery if such safety devices are required according to the technical standards then valid.
 - 3.5 Any building work including earth work, brick work and concrete work, the installation, the connection and the commissioning of the Goods as well as the giving of operating instructions to the personnel are not within SNAP-ON scope of delivery.
 - 3.6 Upon request of the Customer SNAP-ON shall provide trained installation personnel for the installation, the commissioning and the instruction on the basis of SNAP-ON General Conditions for DH 408-01DE Installation then valid. The respective costs shall be borne by the Customer.
 - 3.7 The unloading of the Goods or parts thereof and the transport of such items from the place of unloading to the place of installation are within the responsibility of the Customer. The relative costs shall be borne by the Customer even if SNAP-ON is delivering freight prepaid.
 - 3.8 The Customer is responsible for any safety precautions whatsoever imposed by the plant conditions. SNAP-ON liability in that respect is expressly excluded. The exclusion of liability as aforesaid shall not apply in such cases in which SNAP-ON shall provide the installation and starting-up according to § 3.6 of the Conditions but always provided that SNAP-ON shall only be liable for grossly negligence or willful misconduct.
- ### § 4. Prices and Terms of Payment
- 4.1 Subject to any specific agreement in writing prices are ex works plus the statutory value-added tax in the amount as from time to time in force, if any.
 - 4.2 Subject to any specific terms of payment the price must be paid in cash without any deduction and/or charges at Snap-on Equipment place of payment.
 - 4.3 Subject to prior agreement payment may be made by an irrevocable confirmed letter of credit payable at a German bank accepted as guarantor by the tax and custom authorities.
 - 4.4 Upon default of the Customer SNAP-ON shall be entitled to interest in the amount of 8 %-points above the respective basic prime rate mentioned in § 247 Bürgerliches Gesetzbuch (German Civil Code) without prejudice to any other right to damages of SNAP-ON. Should the Customer fail to pay any sum due and payable after setting a reasonable written deadline, SNAP-ON is entitled to repudiate the Contract or to claim damages for breach of contract.
 - 4.5 Any rights of retention of payment based on alleged remedies of the Customer against SNAP-ON or any other rights of the Customer against SNAP-ON which do not arise under the specific Contract (i.e. claims under another contract between the Customer and SNAP-ON) are expressly excluded. Any set-off with the Customer's claims against SNAP-ON claims is not allowed except insofar as such claims of the Customer are undisputed or subject of a final and conclusive judgment of a competent court.
 - 4.6 SNAP-ON shall accept bills of exchange or cheques only upon prior written agreement but always provided that where payment is made by means of bill of exchange or cheque or any other negotiable or not negotiable instrument, SNAP-ON shall not be deemed to have received payment until the bill of exchange, cheque or other negotiable or not negotiable instrument has been honoured notwithstanding that SNAP-ON may have negotiated such instrument and received value therefore. Any costs of any kind in respect of the negotiation of any instrument as aforesaid are borne by the Customer.
 - 4.7 SNAP-ON is entitled to request the Customer at any time to provide adequate security for its claims against the Customer. Irrespective of the dates of maturity of bills of exchange, cheques or other negotiable or not negotiable instrument accepted by SNAP-ON, any claims of SNAP-ON against the Customer shall be

General Conditions for Sale and Supply L 805 E

immediately due and payable upon occurrence of any of the following events:

- (a) if the Customer does not fulfil any of its obligations within time,
- (b) if the Customer is in breach with any other contractual obligation,
- (c) if any circumstances arise which justify bona fide doubts as to the solvency of the Customer and might jeopardise SNAP-ON's right to the consideration agreed.

§ 5. Packing

The standard packing (boxes and pallet) provided by SNAP-ON EQUIPMENT is included in the price. Any special packing shall be requested in writing and paid for by the Customer.

§ 6. Retention of Title

- 6.1 The title in the Goods shall remain with SNAP-ON until all its claims, regardless of the legal grounds, existing at the time of conclusion of the Contract, as well as future claims arising from the business relationship with the Customer, (§ 449 clause 1 German Civil Code) have been satisfied. If SNAP-ON has accepted contingent commitments in the interest of the Customer, in particular but without limiting the generality thereof, bills of exchange and cheques, all Goods and deliveries shall remain SNAP-ON's property until it has been indemnified completely from all such commitments. This shall also apply to payments effected on specially designated receivables. If there is a current account agreement, the retention of title shall persist until complete settlement of the accepted balance; striking a balance and its acknowledgment shall not affect SNAP-ON's retention of title.
- 6.2 Processing or refashioning of the reserved Goods by the Customer is always effected in SNAP-ON's stead. If the Goods are bonded inseparably to other items which do not belong to SNAP-ON, it shall acquire co-ownership of the new item in accordance with the applicable laws (§§ 947, 948 German Civil Code), wherein the share of owned by SNAP-ON shall reflect the value of the Goods delivered by SNAP-ON in relation to other items that these Goods are inseparably bonded with. If the Customer acquires sole property of the new item, it shall assign co-ownership proportionate to the value of the Goods to the other bonded items at the time of bonding. The Customer shall therefore preserve the resulting sole property or joint property in SNAP-ON's stead.
- 6.3 If the Customer resells or hires out the reserved Goods alone or together with items which do not belong to SNAP-ON, the Customer shall assign to SNAP-ON by way of security all claims arising from the resale or leasing against the buyers, lessees or third parties to the extent of the amount of the invoice (including VAT) together with all secondary rights. If the resold Goods are in SNAP-ON's co-property, only such quota of the claim is assigned which corresponds to the ratio of its co-ownership in the Goods. SNAP-ON hereby accepts such assignments. SNAP-ON grants the Customer a revocable authorization to collect the claims assigned to SNAP-ON as long as the Customer fulfill his obligations in connection with the Contract in due time. In the event of this happening, however, SNAP-ON can demand that the Customer discloses to SNAP-ON all debtors and the assigned claims, provide all information necessary for collection, surrender the corresponding documents and notify the debtors of the assignment. In such case SNAP-ON can also notify the debtors itself and make use of its right to collection.
- 6.4 The Customer shall store the reserved Goods separately and in such way that they can be readily identified as being SNAP-ON property as long as title in the Goods has not yet passed to the Customer under the Conditions. Furthermore, the Customer is under the obligation to keep the reserved Goods in proper working condition until final transfer of ownership. If any maintenance work or repairs are necessary, then the Customer shall retain SNAP-ON repair shop or any other repair shop acceptable to SNAP-ON. The last mentioned obligation shall not arise in cases of emergency.
- 6.5 Should the Customer be in breach of contract, in particular be in default of payment, SNAP-ON shall have, upon prior notice and setting of a time limit to the Customer entitled to request and Customer is obliged to return the Goods to SNAP-ON. The retaking of the Goods as well as pledging the Goods by SNAP-ON is not considered a withdrawal from the Contract. In such case SNAP-ON or its duly authorized agents shall have the right to enter the premises of the Customer to execute the right to retake.
- 6.6 The Customer is entitled to resell, use or install the reserved Goods only within the ordinary and usual course of business and only subject to the condition that all claims have been assigned to SNAP-ON or that SNAP-ON has it acquired co-ownership of the new item according to the previous paragraphs. The Customer must not pledge or give in security or dispose of the reserved Goods in any other manner.
- 6.7 The Customer has to inform SNAP-ON without delay of any confiscation or other disposition by third parties concerning the reserved Goods –

even if SNAP-ON has acquired a co-ownership share – or concerning the claims assigned to SNAP-ON, submitting the documents necessary for filing its objection.

- 6.8 Customer shall be obliged to treat the reserved Goods with care and to insure all reserved Goods in particular against fire and theft at its own cost. All claims against the insurer with respect to the reserved Goods are herewith assigned to SNAP-ON. SNAP-ON herewith accepts such assignment.
- 6.9 If the Customer is resident in a foreign country, it shall do any act required by law or otherwise to make SNAP-ON's retention of title and its rights set forth under this Conditions valid and effective in the country to which the Goods are delivered.
- 6.10 In case the value of the securities acquired by SNAP-ON under § 6 of this Conditions exceeds the value of the open claims of SNAP-ON against customer by more than 20%, such securities shall automatically expire to the extent they exceed the value of SNAP-ON's open claims against Customer by more than 20%. On request of Customer SNAP-ON will identify those Goods which are subject to this expiration of securities.

§ 7. Terms of Delivery

- 7.1 SNAP-ON quotation of delivery periods is without legal obligation.
- 7.2 In principal the delivery period commences upon dispatch of the confirmation of order.
- 7.3 Upon SNAP-ON notification that the Goods are ready for dispatch the Customer is under the immediate obligation to accept delivery of the Goods. Should delivery not be accepted SNAP-ON is allowed to store the Goods at the Customer's costs and risk of loss and to invoice the Goods as delivered.
- 7.4 Reservation is made that SNAP-ON is supplied in a punctual and correct way with the material required to fulfill its obligations to the Customer.
- 7.5 The delivery period shall be extended by an appropriate amount of time in the event of force majeure which shall include but not be limited to acts of God, war, riots, industrial disputes, strikes and lock-outs and unforeseen obstacles which are beyond SNAP-ON control insofar as such obstacles can be shown to have exercised considerable influence on the completion or the delivery of the Goods. SNAP-ON shall not be liable as such events as aforesaid shall occur whilst delivery is already delayed. SNAP-ON shall notify the Customer as soon as possible upon commencement and termination of obstacles as aforesaid.
- 7.6 Partial deliveries are allowed. Each partial delivery shall be invoiced separately.
- 7.7 If the dispatch of the Goods is delayed at request of the Customer or due to reasons which the Customer is responsible for, the Customer will be charged with the storage costs arising from the delay, incipient 30 days after informing the Customer that the Goods are ready for dispatch. In the event that the Goods are stored in SNAP-ON's premises, the storage costs add up to 0,5 % of the invoice amount per month or part of thereof. Any of SNAP-ON's rights to claim for further damages caused by the delay hereby remain unaffected. SNAP-ON is also entitled to dispose of the Goods in another way, subject to the expiry of a reasonable period of grace set by SNAP-ON. In such case, the period of delivery shall be extended by a reasonable period of time.

§ 8. Passing of Risk and Acceptance of Delivery

- 8.1 The risk of loss and deterioration of the Goods shall pass to the Customer immediately upon dispatch the Goods to the Customer. The same applies if SNAP-ON has accepted additional obligations such as transportation costs, transport, installation or assembly of the Goods.
- 8.2 Should dispatch be delayed in consequence of circumstances for which the Customer is responsible the risk of loss and deterioration of the Goods shall pass to the Customer at the date of notification of readiness of the Goods for dispatch by SNAP-ON to the Customer.
- 8.3 The Customer is under the obligation to accept delivery of the Goods irrespective of any defects the Goods may have, however, without prejudice of the Customer's rights arising from defects.

§ 9. Trading Terms

The Incoterms 2010 version are applicable subject to the specific provisions of these Conditions or the Contract which shall prevail.

§ 10. Delay in Delivery and Impossibility to Deliver

- 10.1 The Customer is entitled to compensation should SNAP-ON be in default of delivery and a damage be caused thereby. Such compensation as aforesaid shall be limited in amount to 0,5 % for each week in which SNAP-ON is in default of delivery but not be over and

General Conditions for Sale and Supply L 805 E

above of 5 % of the total value of such part of the total delivery which cannot be used in time according to the terms of the Contract by reason of SNAP-ON default in delivery as afore- said. The amount of compensation shall be lower if SNAP-ON proves a lower damage or higher if the Customer proves a higher damage.

- 10.2 Notwithstanding the right to repudiate the Contract in case of defects (see § 13. Warranty for defects and § 14. Warranty for title) the Customer may repudiate the Contract in case of default in delivery or impossibility to deliver due to a circumstance within SNAP-ON's control only if the delay in delivery or the impossibility to deliver as aforesaid are caused by a negligent or willful act of SNAP-ON.
- 10.3 Should SNAP-ON not deliver within the delivery period, the Customer shall have the right to set a written final deadline of 30 days indicating expressly that the Customer will repudiate the Contract and/or claim for damages. Upon fruitless expiry of this deadline the Customer shall upon request of SNAP-ON declare whether the Customer still insists on delivery or rather claims damages or will repudiate the Contract. The Customer is not entitled to repudiate the Contract or to claim for any damages instead of the delivery in case the Customer does not notify SNAP-ON within a reasonable deadline set by SNAP-ON about his intention.
- 10.4 Should SNAP-ON unjustifiably refuse the delivery or in case of specific circumstances that – after considering both parties interest – justify an immediate repudiation of the Contract, the Customer is not obliged to set a final written deadline as mentioned above in § 10.3.
- 10.5 The Customer is not entitled to repudiate the Contract before the delivery is due or in case of a minor breach of an obligation of SNAP-ON. Furthermore, the Customer is not allowed to repudiate the Contract in case circumstances that would allow such repudiation have wholly or partly been caused by the Customer or in case such circumstances occur during a delay in acceptance of the Customer.
- 10.6 For claims for damages § 15. of this Conditions applies.

§ 11. Self-Delivery – Force Majeure

- 11.1 SNAP-ON shall be exempted from their duty to deliver if and to the extent that deliveries are made impossible by Force Majeure, which includes strikes, war, earthquakes and other catastrophes as well as the destruction of production facilities by fire, whether at facilities of SNAP-ON or those of their suppliers. In the event that the obstacle to delivery persists for more than four weeks, SNAP-ON may rescind the Contract.
- 11.2 SNAP-ON shall not be liable for delays in delivery that are due to their suppliers' failure to provide raw materials, components or semi-finished products, or the supplier's failure to do so in due time, although SNAP-ON has concluded a corresponding substitute transaction and the delay in, or failure of, proper delivery of the supplier is not attributable to SNAP-ON. In such cases, SNAP-ON undertake to immediately look for a replacement for the failed supply if and to the extent that such substitute through another supplier does not impose an unreasonable burden on SNAP-ON – i.e., its price and quality are equivalent to that of the originally agreed supply. SNAP-ON shall promptly inform the Customer of the reasons for such delivery delays, and if such circumstances cause a delay in delivery of more than two months, both SNAP-ON and the Customer may rescind the Contract. Goods and services already received shall be returned, and the parties waive any further claims.

§ 12. Notice of Defects

- 12.1 Written notice of apparent defects or any other complaints, including but not limited to failure to comply with any particular agreement or guarantee as to the fitness of the Goods for a specific purpose, failure as to the quantity of the Goods, must be given without delay at the latest 14 days from the receipt of the Goods. Written notice of hidden defects must be given without delay at the latest 14 days from the discovery of such defects.
- 12.2 Should SNAP-ON not be notified of defects or any other complaints within the delays as set out in § 12.1 of the Conditions, SNAP-ON shall be discharged from all liability arising from defects of the Goods or any other complaints and any rights of the Customer of whatsoever nature are excluded.

§ 13. Warranty for Defects

- 13.1 Should the Customer notify SNAP-ON in accordance with § 12. of the Conditions of an existing defect of the Goods or of any other complaint as mentioned in § 12.1 of the Conditions SNAP-ON liability shall according to SNAP-ON choice be limited to either replace or repair such defective Goods, provided that the Customer shows, that the defect or any other complaint was already existent at the point in time of the passing of the risk. SNAP-ON may, in its sole discretion, limit the replacement to certain parts of the Goods in which the defect is vested. In case the Customer notifies SNAP-ON of an existing defect of the instruction for the installation of the Goods, SNAP-ON liability shall be limited to the providing of an instruction for the installation without any defects, but only provided that the defect of the instruction for installation made it in fact impossible for the Customer to duly install the Goods. The warranty period shall run for 12 months commencing upon the actual delivery of the Goods. SNAP-ON shall be liable for a period of 24 months in the event of the death or personal injury of the Customer. SNAP-ON shall not be liable for defects of used or second-hand Goods.
- 13.2 If the elimination of the defect by replacement or repair has definitely and ultimately failed, the Customer can reduce the purchasing price by a reasonable amount or, after fruitless expiration of a reasonable grace period for reasons for which SNAP-ON is to be held responsible, cancel the Contract provided that giving a grace period is not dispensable by law pursuant to §§ 281 clause 2, 323 clause 2 of German Civil Code. This shall also be applicable if SNAP-ON refuses to remedy a defect without justification, delays it for an unreasonable period of time, or if remedying the defect should have become unacceptable to the Customer for other reasons. The elimination of the defect by replacement or repair has not failed if after such replacement or repair another defect occurs which was previously not included in the Customer's notice of defect. The Customer may not cancel the Contract if the defect is trivial.
- 13.3 SNAP-ON liability for defects in respect of products which have been supplied by a third party shall be limited to assigning its rights and claims against such third party to the Customer. Should the Customer not be able to enforce its rights against the supplier of such products as aforesaid, SNAP-ON shall be liable for defects as set out in the Conditions.
- 13.4 The Customer is under the obligation after consultation of SNAP-ON to grant SNAP-ON the time required to repair or to replace the Goods and to do all necessary steps to allow SNAP-ON a repair of the Goods or a replacement delivery.
- 13.5 SNAP-ON is under no obligation to repair or to any replacement delivery, in case the costs for such repair or replacement delivery are unreasonably high. The costs shall be deemed as unreasonably high if they exceed 25 % of the purchase price of the Goods.
- 13.6 Any Goods or parts thereof which have been replaced by SNAP-ON in consequence of its liability for defects shall be returned to SNAP-ON at request and SNAP-ON shall bear the costs for the return transport of such goods or parts at the lowest available transport rates.
- 13.7 Should Customer's notification of defects be unjustified, SNAP-ON will be entitled to claim for all costs that arise from such unjustified notice of defects.
- 13.8 Without limiting its liability for defects SNAP-ON expressly excludes any liability arising in particular on the following grounds: irrelevant deviation from the agreed quality of the Goods and irrelevant reduction according to the usability as well as inappropriate or improper use of the Goods, defective installation or starting-up by the Customer or third parties, usual wear and tear, improper or negligent handling in particular excessive work load, inappropriate working material, substitute working material, insufficient construction work, inappropriate building ground, chemical or electrical influences as long as these are not caused by a grossly negligent or willful act of SNAP-ON.
- 13.9 Should the Customer transfer the Goods to another place than the place where he has ordered the Goods and should the costs for repair or replacement delivery, including but not limited to costs for transport, work and material, therefore increase, the Customer shall only be entitled to claim for the costs that would also have arisen in case the Goods still had been at the place to which they were delivered, unless the transfer of the Goods corresponds with the normal use of such Goods.
- 13.10 The SNAP-ON vehicle diagnostics and information software is based on their documents, vehicle inspections previously conducted, specifications of OEMs and importers as well as other data publicly accessible. Considering the huge amount of data SNAP-ON is not in a position to verify the specifications of OEMs and importers as well as other data publicly accessible for completeness, correctness and currentness. Especially considering the multitude of vehicle



General Conditions for Sale and Supply L 805 E

configurations it is not possible that the software includes the data of every single vehicle configuration, in particular not the ones of every country-specific vehicle configuration. For this reason SNAP-ON does not take over any warranty for completeness, correctness and currentness of these data.

The data ascertained by SNAP-ON is only a supplement to the specifications of OEMs and importers. Considering the huge amount of data SNAP-ON is not in a position to take over any warranty for completeness and currentness of such data.

When using the vehicle diagnostic and information software the software user undertakes to ensure that vehicle IDs and equipment correspond to the software data.

§ 14. Warranty of Title / Intellectual Property

- 14.1 Unless otherwise agreed SNAP-ON shall deliver the Goods free from third parties rights or justified claims founded on industrial or other intellectual property (hereinafter referred to: intellectual property) in the country being the destination of SNAP-ON delivery. In case any third party shall assert a claim against the Customer founded on the violation of intellectual property by the Goods that have been delivered by SNAP-ON and that are used in correspondence with the Contract, SNAP-ON shall be liable within 12 months after delivery as follows:
- 14.2 SNAP-ON liability shall according to SNAP-ON choice be limited either to provide a license concerning the intellectual property or to replace the goods or to change the goods insofar that they will no longer violate intellectual property delivered by Snap-on Equipment and that are used in correspondence with the contract. In case a similar item is not available SNAP-ON shall reimburse the price, with the exclusion of any other direct or indirect damage.
- 14.3 SNAP-ON shall only be under the obligation to take measures as mentioned in § 14.2 if the Customer has notified SNAP-ON immediately in writing about such third parties claims and if the Customer has not acknowledged such violation and always provided that SNAP-ON may decide about all measures that shall be taken to defend SNAP-ON and about all amicable settlements at SNAP-ON own discretion. Should the Customer stop the use of the delivered Goods in order to minimise the damage or for whatever important reason, the Customer is under the obligation to notify the third party that this shall not be deemed as an acknowledgement of a violation of intellectual property.
- 14.4 Any claim of the Customer for defects of title are excluded if and to the extent the Customer is liable for the violation of the intellectual property, including but not limited to the following cases: the Customer has caused the violation because of specific indications given to SNAP-ON or by a use of the Goods that was not agreed upon by the parties or by changing the delivered Goods or using them together with products that have not been delivered by SNAP-ON.

§ 15. Damages

- 15.1 Notwithstanding any other provisions in the Conditions all claims for damages of Customer, i.e. liability for defects, the liability for impossibility of performance and delay in delivery, any liability for damages arising from a breach of any obligation before or at the time of contracting, breach of secondary contractual obligations, tort, or any other consequential loss or damage of whatsoever nature and howsoever arising shall be excluded. The same applies to any liability of whatsoever nature of SNAP-ON's duly authorized personnel or other persons performing SNAP-ON's obligations under the Contract.
- 15.2 The aforementioned limitation of liability shall not apply to the extent that SNAP-ON, its executives or its duly authorized agents were acting willfully or with gross negligence, including such cases in which SNAP-ON was in breach of cardinal obligations whereby the overall purpose of the Contract was jeopardised. Such breach of cardinal obligations would be when SNAP-ON neglects duties the Customer has always relied upon and may duly rely upon and the fulfillment of which is fundamental for correct execution of the Contract.
- 15.3 In case of a slightly negligent breach of cardinal obligations, SNAP-ON liability shall be limited to the amount of the value of the order.
- 15.4 Should, as an exception, the value of the order mentioned in § 15.3 not correspond to the typically foreseeable damages that arise from such breach of cardinal obligations, then SNAP-ON liability shall be limited to such typically foreseeable damages.
- 15.5 The exclusion of liability shall not apply with regard to claims arising under the German Product Liability Act or in case SNAP-ON has given a guarantee as to the fitness of the Goods for a specific purpose or as to their long-lastingness and the guaranty was intended to protect the Customer against damages which do not arise in the Goods themselves. Furthermore, this exclusion of liability shall not apply with regard to claims that arise from personal injury or death of the Customer.

§ 16. Training Courses

- 16.1 The above mentioned limitations of liability shall also apply if SNAP-ON provides training courses for employees of other companies with the

proviso that such companies are obliged to provide for sufficient insurance coverage for possible accidents of such employees. Furthermore SNAP-ON's liability for actions of their corporate bodies, employees, agents or representatives shall be limited to intent or gross negligence in case of injuries or fatalities of the employees of other companies during the training courses.

- 16.2 In principle the costs for travel and lodging for the trained personal of such companies shall be borne by those companies; in no way shall SNAP-ON bear such costs. Accommodation and means of travel shall be in the responsibility of the employees to be trained of such other companies, or their relative employers.

§ 17. Disposal

- 17.1 At the end of use of the equipment the Customer shall dispose of it in line with legal directives. To this end the Customer shall exempt SNAP-ON Equipment from the obligations imposed according to § 10 clause 2 of the WEEE directive (obligation of manufacturer to take back waste equipment) and resulting claims of third parties.
- 17.2 The Customer shall bear the cost for disposal of the equipment supplied.
- 17.3 The claim of Snap-on Equipment towards the Customer to take over manufacturer's obligations and to exempt Snap-on from the claims of third parties shall not become time-barred prior to expiry of a period of 12 months from final termination of use of the equipment. This deadline will begin upon receipt of a written notification at Snap-on Equipment about the termination of use at the earliest.
- 17.4 If the equipment is forwarded to commercial third parties, the Customer shall oblige such third parties to duly dispose of the equipment at the end of its time of use, to bear relative cost, and to impose such obligation to any further third party in case the equipment is forwarded again. If the Customer fails to successfully oblige any third party to whom he forwards the supplied equipment to take over the obligation for proper disposal and to impose such obligations to further third parties when forwarding the equipment again, he shall be obliged to take back and duly dispose of the equipment at the end of its time of use in accordance with legal directives and to bear the relative cost.

§ 18. Miscellaneous

Upon prior notice to the Customer, SNAP-ON shall have the right to inspect the Goods in the Customer's premises, to take notice of the operating results and to demonstrate the equipment to its prospective buyers should the Customer not prove that SNAP-ON right as aforesaid shall jeopardise the Customer's interest to business confidentiality or any other important interest.

§ 19. Place of Performance / Jurisdiction / Applicable Law

- 19.1 Place of performance for SNAP-ON and the Customer is Unterneukirchen.
- 19.2 Exclusive jurisdiction and venue for any actual or future disputes arising under or in connection with the business relationship (including claims under bills of exchange or cheques) shall be the district court in Munich.
- 19.3 These Conditions and any Contract hereunder between SNAP-ON and the Customer shall be governed by and construed in accordance with the laws of the Federal Republic of Germany excluding its conflict of laws provisions. The UN Convention in the International Sale of Goods shall not apply to this Conditions or the Contract.
- 19.4 Should any of these provisions be invalid or become invalid for whatsoever reason the remaining provisions shall be unaffected. In such case the statutory regulations shall be applicable in addition.