General Business Conditions of Mobility Concept GmbH
Status as of: June 2017

1. Rules and regulations for leases

1.1. Contractual conclusion

1.1.1. The Lessee is bound to its contractual offer for a period of one month upon receipt thereof by the Lessor. The Lessee waives receipt of the declaration of acceptance by the Lessor. The Lessor shall notify the Lessee without delay of its acceptance of the contractual offer.

1.1.2. If the procurement agreement between the Supplier and MC is not entered into with full force and effect without MC being responsible for such failure, both parties shall be entitled to rescind the lease.

2. Contractual subject matter

2.1. Mobility Concept GmbH (hereinafter referred to as MC) shall procure the vehicle specified in the lease and allow the Lessee to use it in accordance with the provisions of this agreement for the duration of the lease.

2.2. Any changes in terms of construction or shape, deviations in colour tone as well as changes to deliverables on the part of the Manufacturer / Supplier during the delivery term shall be reserved, provided the vehicle is not changed substantially and the changes are deemed to be acceptable for the lessee.

2.3. The valid descriptions made by the Manufacturer / Supplier at the time of contracting shall be applicable. The Lessee is aware that information on deliverables, appearance, services, measures and weights, consumption of fuels and lubricants, operating costs, etc. at the time of delivery of the vehicles may differ, depending on the manufacturer. MC assumes no liability in this regard.

3. Duration of lease

The lease is entered into for the contractually agreed duration. It shall commence on the day of delivery of the vehicle to the Lessee. It shall come to an end on the final date of its agreed duration.

Tacit continuation of the lease owing to continued use [of a vehicle] pursuant to Section 545 of the German Civil Code (BGB) shall be excluded.

If the duration of the lease is explicitly or tacitly continued beyond the agreed period, the contractual terms and conditions shall continue to apply during such period. However, both parties shall be entitled at all times to terminate the contractual relationship subject to two weeks’ notice to the end of a given month.

4. Remuneration, costs, mileage billing, extension of the duration of lease

4.1. The lease instalments, any special lease payment as well as payments made on additional / reduced mileage billed are deemed to be considered in return for allowing the vehicle to be used.

4.2. The lease instalments are due and payable monthly in advance, namely on the first calendar day of a given month.

If the duration of the lease does not begin on the first day of a month or if its duration does not end on the last day of a given month, the remuneration shall be charged pro rata temporis, namely at a fraction of 1/30 of the lease instalment agreed for one month. In this case the first lease instalment shall be due and payable at the beginning of the lease.

The Lessee is obliged to allow MC to collect payments by SEPA direct debit. In order to simplify payment transactions, the 14-day period for notification prior to collection of a payment due shall be reduced to one day prior to the debit entry.

4.3. Any costs and risks of delivery of the leased vehicle vis-à-vis MC shall be borne by the Lessee. In particular, the Lessee shall assume all costs, especially those associated with transportation, freight, registration, desired registration plates, recovery, return appraisal and deregistration. Such costs shall be billed separately and are due and payable as of the invoice date.

4.4. In the event of any change in the non-binding price recommendation of the Manufacturer over four months after entering into the lease and prior to delivery of the vehicle, a restatement of lease instalments (and, if applicable, of the special lease payment and, in the case of residual value agreement, of the calculated residual value) shall be made, namely on the basis of the new, interest-free price recommendation of the Manufacturer, subject to retention of the financial lease factor. If this results in an increase in the lease instalment by over 6 %, the Lessee shall be entitled to rescind the lease by submitting a statement in writing within three weeks of receipt of notification concerning the increase.

4.5. In the event of any change, after contracting, to fees imposed by law or by public authorities on agreed services payable as out-of-pocket expenses by MC, both contracting partners may request an appropriate adjustment to the lease instalment.

4.6. A special lease payment agreed in the lease shall be due and payable when invoiced and, unless expressly agreed otherwise in writing, will be collected by MC using the SEPA direct debit process.

4.7. A fee of EUR 190.00 exclusive of value added tax at the prevailing rate from time to time shall be payable for each amendment or addendum to the lease. If, at the Lessee’s request, a further name is entered in Section II of the registration certificate, in return the Lessee shall have the right to a 0.5% of the prevailing net list price as compensation for the mercantile value reduction of the vehicle, exclusive of value added tax at the prevailing rate from time to time.

4.8. Only for leases with mileage settlement:

If, on return of the vehicle, the total mileage fixed is exceeded or not reached on expiry of the agreed duration of the lease, then the additional or lower number of kilometres will subsequently be charged or credited, as the case may be, to the Lessee at the rate indicated in the lease. If the additional or lesser number of kilometres remains below 2,500, then neither will a subsequent charge be made nor a credit note issued. The credit note for a lesser number of kilometres will be granted for a maximum of 10,000 kilometres.

4.9. If the duration of the lease is explicitly or tacitly extended beyond its planned duration, the Lessee shall at least be liable to continue paying the contractually agreed lease instalment during the period of such continued duration. If, in the individual agreement, a higher lease instalment is agreed for the period subsequent to expiry of the planned duration of use, then the Lessee shall be liable to pay such higher instalment.

4.10. If the Lessee does not return the leased vehicle on expiry of the agreed duration of the lease, MC will be entitled to claim compensation for use at least the extent of the agreed lease instalment for the duration of such failure to return the vehicle. If, in the individual agreement, a higher lease instalment is agreed for the period subsequent to expiry of the planned duration of use, then the Lessee shall be liable to pay such higher compensation for use. And further claims, in particular MC’s entitlement to damages, shall not be affected by the above.

4.11. All services due to value added tax shall be invoiced exclusive of value added tax at the rate prevailing from time to time. In the event of any amendment to the law on taxes and levies or to the relevant administrative procedures, MC shall be entitled to invoice all charges due to value added tax to the Lessee at the prevailing level.

4.12. Payments by the Lessee with an effect on performance shall exclusively be made to the account specified by MC in the agreement or on the relevant invoice.

4.13. If any payment reminders are necessary, MC shall be entitled to a lump sum of EUR 10.00 for each payment request to defray its administrative effort and expenditure, exclusive of the prevailing rate of value added tax unless the Lessee furnishes proof of lower administrative effort and expenditure.

4.14. If payments of the lease instalments collected by MC are reversed owing to inadequate cover in the account or for any other reasons attributable to the Lessee, then MC shall be entitled to invoice the return debit charges to the Lessee plus a lump sum of EUR 15.00 for the associated administrative effort and expenditure, exclusive of the prevailing statutory rate of value added tax unless the Lessee furnished proof of lower effort or expense.

4.15. If the Lessee is in arrears with at least two lease instalments, MC shall be entitled to take possession of the vehicle in exercising a right of lien or retention even without giving notice of termination, without forfeiting the entitlement to continued payment of the lease instalments. Upon full payment of the lease instalments, MC shall return the vehicle to the Lessee.

The right to termination without notice shall remain unaffected.

5. Taking delivery, risk of damage and price reduction

5.1. Delivery of the vehicle shall be carried out directly by the Supplier to the Lessee. The Lessee is required to take delivery of the vehicle at the contractually agreed delivery location against signature of a vehicle delivery record and proof of payment of a special lease payment possibly agreed.

The Lessee shall examine the leased vehicle without delay for any defects, for its delivery and conformity of the deliverables with the contractual arrangements and to notify MC and the Supplier of any complaints in writing.

5.2. If the Lessee refuses to take delivery of the leased subject matter in breach of its obligations, upon termination of the lease without notice. MC will be entitled to demand lump-sum compensation amounting to 10 % of the net acquisition price for the leased vehicle.
Both parties reserve the right to furnish evidence of higher or lower damage sustained, as the case may be.

5.3. If, at the Lessee’s request, delivery of the vehicle takes place at some location other than that contractually agreed, then the Lessee shall bear the risk of accidental destruction of the vehicle while in transit to the desired delivery location. The Lessee shall compensate MC for the costs of such transportation.

5.4. The Lessee bears the risk of damage and price fluctuations for the vehicle until such time as it is returned. In particular, the Lessee assumes the risk of accidental destruction, loss, write-off, diminished fitness for use, damage and other forms of deterioration, including mercantile value losses, unless MC is responsible for such grounds due to intent, gross negligence or omission. Accordingly, the Lessee is liable, also in the event of one of the above-mentioned risks eventuating, for performance of its obligations regarding the lease, in particular for continued payment of the agreed lease instalments. The Lessee shall notify MC without delay in writing of events of this kind.

5.5. If one of the above-mentioned events materialises, the vehicle shall be repaired or replaced by a similar vehicle of the same value. The provisions regarding the processing of claims (No. 12) shall be applicable.

5.6. In the event of accidental destruction, loss, total write-off or substantial damage to the leased vehicle, the Lessee shall be entitled to extraordinary termination of the lease. MC shall be entitled to the same right. Substantial damage can be assumed as a rule if the foreseeable repair costs exceed 60% of the replacement value.

5.7. In the event of loss of the leased vehicle, the right to termination shall arise only if the vehicle is not found again within one month. In the event of substantial damage to the leased vehicle, extraordinary notice of termination shall be given without delay once the extent of the damage is known.

7. Liability of MC

7.1. If MC is liable for loss or damage sustained by the Lessee owing to a fault of MC or that of its statutory representatives or vicarious agents, MC’s liability shall be limited to cases of intent and gross negligence. In cases involving injury to life, limb or health as well as violation of any cardinal contractual duties, liability shall also apply to simple or ordinary negligence. Cardinal contractual duties are those whose performance actually facilitates due and proper execution of the lease in the first place and compliance with which the Lessee relies and is able to rely on or which MC is required to grant the Lessee in terms of the content of the lease. In the event of a violation of cardinal contractual obligations, liability shall be confined in terms of extent to the foreseeable loss or damage at the time of contracting. Liability pursuant to the [German] Product Liability Act shall remain unaffected in this regard, if a warranty is assumed by MC for the properties of a vehicle and malicious concealment of a defect by the Lessor.

Liability as described above shall remain unaffected by the following disclaimers.

7.2. Should the leased vehicle not be delivered or not in time, or should the Supplier have committed any other breaches of duty, the Lessee’s claims and rights against MC shall be excluded.

7.3. In addition, all claims and rights of the Lessee against the Lessor on account of the properties, legal and factual defects of the vehicle or its lack of usability at all times shall be ruled out.

In compensation for the claims governed by Nos. 7.2 and 7.3 above, MC shall assign to the Lessee all its claims and rights against the Supplier and other third parties involved in delivery based on derecitals of duty, in particular on subsequent specific performance, rescission, price reduction and damages, including any independent warranties of third parties. At this moment already the Lessee/customer accepts the assignment. Claims by MC to procurement in connection with the supply, under reservation of the procurement agreement, claims for restitution, in particular including claims arising from or in connection with advance payments made by MC as well as compensation for loss or damage sustained by MC shall be excluded from such assignment.

The Lessee is obliged to claim and assert the rights and claims assigned without delay and at its own expense – including before a court of law. To the extent that any rights and entitlements have not been assigned, the Lessee is hereby authorised and obliged to ensure that payments arising from restitution, price reduction as well as loss or damage sustained by MC are made exclusively to MC. MC shall be continually notified by the Lessee on a timely basis of the assertion of any claims by the Lessee.

7.5. If the Supplier and the Lessee fail to reach an agreement after delivery of the leased vehicle on the effectiveness of rescission declared by the Lessee, of a price reduction declared by the Lessee or of the existence of a claim for damages in lieu of performance, the Lessee will be able to preliminarily deny payment of the lease instalments owing to any defects only if – and in the event of a price reduction, pro rata – if it has sued the Supplier for restitution of the procurement agreement, for damages in lieu of performance or for a reduction in the purchase price.

If the Lessee uses the leased vehicle during the period of the assertion of its claims against the Supplier, the Lessee shall be obliged to continue paying the lease instalments. The Lessee may request payment to be made to an escrow account opened by it in favour of MC. Instead of continued payment, the Lessee can also arrange for a bank guarantee to be issued by a credit institution licensed to operate in Germany for the ongoing lease instalments. If the Lessee does not use the subject matter of the lease, the Lessee’s claims against the Supplier shall be excluded until it has been finally settled whether the claims against the Supplier exist to keep the leased vehicle in custody, exercising the duty of care of a diligent and prudent businessman. In the event of non-performance of the Lessee’s obligations, MC shall be entitled to take possession of the leased vehicle notwithstanding any other rights available.

In contrast, the assertion before a court of law of claims for subsequent, specific performance shall not discharge the Lessee from its obligation to make its agreed payments.

7.6. If the Lessee asserts a claim against the Supplier by way of subsequent, specific performance for delivery of a new vehicle, MC agrees to the past vehicle being replaced by a new vehicle of the same value. The Lessee shall carry out the return of the vehicle to the Supplier at its own expense.

The Lessee is obliged to inform the Manufacturer of the existence of a claim for damages in lieu of performance or for compensation for use owed by it to the Supplier.

In return for the compensation for use, the Lessee shall be credited with a possible financial benefit arising on realisation of the vehicle at the end of the lease. The benefit may arise from an additional gain being realised on account of any subsequent delivery of a new vehicle. The settlement is subject to an ex ante of the compensation for use paid.

If the Lessee has asserted a price reduction, an adjustment of the lease shall be made in the sense that the lease instalments and a possibly agreed residual value are reduced accordingly from the outset. The Lessee shall refund excessive amounts paid to the Lessee.

If the Lessee asserts a rescission or restitution of the agreement with the Supplier in connection with asserting claims for damages in lieu of performance, the commercial basis giving rise to the lease shall be re-established.

8. Maintenance and repairs

The Lessee shall arrange for any necessary maintenance work due to be carried out and documented without delay by a workshop recognised by the Manufacturer. This shall not apply if special provisions arise in connection with No. 12 (settlement of claims).
The Lessee is required to report any damage to the odometer to MC without delay and to submit the actual mileage recorded.

8.2. If assistance by a workshop recognised by the Manufacturer is not available or only available in unacceptable conditions, repairs may be carried out by some other vehicle workshop offering a warranty for careful and diligent craftsmanship.

9. Ownership, vehicle holder, use, maintenance and repairs

9.1. MC is the owner of the vehicle. The Lessee is the holder of the vehicle unless otherwise agreed in writing.

The registration certificate Section II shall be kept in custody by MC or by a person authorised by MC. If the Lessee needs the registration certificate Section II to obtain the approval of public authorities, etc. at the Lessee’s request the registration certificate shall be submitted to the public authority in question by MC. In return for this, the Lessee shall pay MC lump sum amounting to EUR 30.00 exclusive of value added tax at the prevailing rate from time to time. If the document is handed out to the Lessee by third parties, then the Lessee is under an obligation to return it to MC without delay.

9.2. The Lessee shall treat the leased vehicle with due care and diligence. The Lessee may use the leased vehicle only subject to compliance with the operating instructions as well as the recommendations for maintenance and cleaning given by the Manufacturer. The Lessee shall maintain the leased vehicle in due and proper functional condition and safe use in traffic.

9.3. The Lessee shall hold the vehicle harmless from all rights of third parties. In particular, the Lessee may not sell, pledge or transfer ownership of the vehicle.

The Lessee shall hold MC harmless from any claims of third parties in relation to the leased vehicle.

9.4. If the rights of MC to the vehicle are violated or impaired by measures adopted by third parties or other events, the Lessee shall notify MC accordingly without delay and submit appropriate records to MC. In the event of imminent danger, the Lessee shall immediately take all measures that are suitable to protect and safeguard MC’s rights. All court or out-of-court costs arising in protecting MC’s rights of ownership shall be borne by the Lessee unless such costs have been paid by third parties.

9.5. Any changes to the contractually agreed location shall be permissible only with the approval of MC. MC shall give its approval provided its legitimate interests are not violated. Violation of legitimate interests can be assumed on a regular basis if the vehicle is to be deployed outside Germany.

The Lessee is entitled to allow its family members and persons living in his household as well as his employees and their family members and persons living in their household to use the vehicle temporarily. However, the Lessee shall satisfy himself that the persons he allows to use the car are in possession of a current operating or driving licence. The Lessee shall be liable for any loss or damage caused by permitted persons using the vehicle. In case a person permitted to use the vehicle causes harm to a third party, the Lessee shall hold MC harmless from any claims of such third party.

Permission to use the vehicle given to any other third parties without the prior consent of MC in writing, in particular in sub-lease, shall be ruled out. The right to termination pursuant to Section 540 para. 1 p. 2 of the German Civil Code (BGB) is excluded.

9.6. Any modifications to the vehicle and additional installations are subject to the prior approval of MC in writing. If the Lessee makes any modifications to the vehicle, he shall restore the original condition of the vehicle at the end of the lease even if MC gave its consent to the modifications in question. If the vehicle is returned without its original condition being restored, MC shall be entitled to call upon the Lessee to return the vehicle to its original condition within a grace period of one week, failing which MC will have its original condition restored at the Lessee’s expense. After the period has elapsed in vain, MC shall be entitled, at its own discretion, either to have the vehicle returned to its original condition at the Lessee’s expense or to charge the Lessee the expected costs of restoration based on the expert opinion of an appraiser.

9.7. MC shall be entitled to inspect the vehicle in coordination with the Lessee and to verify its condition at any time.

10. Obligations of the Lessee as a holder

10.1. The Lessee shall comply with all statutory obligations arising with his possession of the vehicle, irrespective of the name in which the vehicle is registered. In particular, the Lessee shall present the vehicle for the inspections prescribed by law.

10.2. The Lessee shall assume all expenses associated with the operation and possession of the vehicle; in particular, the Lessee shall assume all taxes, insurance premiums as well as the costs of maintenance and repair work. He shall treat the vehicle with all due care within the scope of the contractually agreed purpose, to maintain it in roadworthy and safe condition and to ensure compliance with the provisions contained in the Manufacturer’s operating instructions. All costs arising from violations of road traffic rules and regulations shall be borne by the Lessee anyway, etc. as received by MC, a processing charge of EUR 30.00 shall be payable, exclusive of value added tax at the rate prevailing from time to time.

11. Insurance cover

11.1. Except as otherwise agreed in writing, the Lessee shall take out and maintain motor vehicle insurance for the duration of the lease and thereafter until such time as the vehicle is returned to MC subject to the General Conditions of Motor Vehicle Insurance with a cover sum of at least EUR 50 million and comprehensive motor vehicle insurance (with a maximum excess or deductible of EUR 500.00 per event insured, and partial coverage with a maximum excess or deductible of EUR 100.00 per event insured. MC shall be provided with proof of the existence of such insurance cover already prior to delivery of the vehicle by sending a copy of the insurance certificate. The Lessee shall notify MC without delay of any and all changes in connection with the insurance policy or the underlying terms and conditions. If the Lessee fails to take out the necessary motor vehicle insurance, MC shall be entitled to take out an appropriate insurance policy for the vehicle. The Lessee shall assume the costs of such insurance vis-à-vis MC. MC will then bill the relevant costs, exclusive of value added tax.

11.2. The Lessee hereby assigns all rights arising from existing and future insurance policies for the vehicle as well as any claims against persons who possibly damage the vehicle and against their insurers to MC. MC hereby accepts such assignment. Payments made under the claims assigned shall be applied towards paying for repairs and possible procurement of a replacement for the leased vehicle. And amounts subsequently remaining shall be used by MC to secure its receivables under the lease.

12. Processing and settlement of claims

12.1. The Lessee shall notify MC without delay in the event of a claim being filed for damage. An event giving rise to a claim is theft of the vehicle, as well as any accidental damage to the leased vehicle.

MC shall carry out the processing and settlement of claims, and MC shall be entitled to compensation payments made. If paid to restore the vehicle or procure a replacement, the funds shall be used for the purpose in question.

The Lessee shall provide MC with the necessary information in writing, without delay, in connection with claims management; in particular, the Lessee shall specify the following regarding the claim: location, time, parties involved, exact description of the accident, expected extent of damage to the leased vehicle.

The Lessee shall transport the damaged leased vehicle to the repair workshop specified by MC without delay. The transport costs shall be assumed by the Lessee unless refunded by a third party. MC will commission the repair work to be carried out on the vehicle.

MC will report the claim to the insurance company based on the information furnished by the Lessee, names of any claimants, amount of liability being filed by third parties and, where necessary, to make a claim under comprehensive insurance cover.

It is hereby pointed out to the Lessee that the company Mobility Concept GmbH enlists the services of an external service provider (currently Schäfer Schülke & Partner IFOXX Assekuranzmakler AG) in the field of claims management and collection of receivables. The external service provider operates in full representation of Mobility Concept GmbH. The Lessee is required to ensure that the employees concerned are notified of the engagement of the external service provider and of the disclosure of personal data to the said service provider.

The scope of services on the part of MC explicitly does not include defence against claims by third parties being filed against the driver and the Lessee. The Lessee is responsible for defence against claims by third parties.

MC will assert claims against damages and third parties, in particular against their insurers, at its own expense and risk. If the damagers or their insurers refuse to pay, MC shall be entitled but not obliged to sue them in a court of law.

MC shall notify the Lessee of its decision not to proceed against the damagers and third parties.

The costs will be billed to the Lessee (cf. Item 12.2). The Lessee is hereby already authorized to proceed against the damager and third parties in his own name.

If the costs of remedying the damage or, in the event of a total write-off, the costs of a replacement vehicle, cannot be collected on the basis of the process referred to above, the Lessee shall be liable for compensation to MC for the remaining damage.

Damage as contemplated hereunder also includes market depreciation of the vehicle. If the mercantile depreciation was not stab-
lished as part of an appraisal of the vehicle, it shall be fixed at 10% of the repair costs (net) between the Lessee and MC. If the Lessee furnishes proof of a lower level of mercantile depreciation, he shall be liable only to the extent of the amount proven.

Performance of MC shall not include pursuing any claims for and in connection with injury to persons.

12.3. The Lessee shall be liable to MC for all damage caused by delayed, incomplete or inappropriate damage reports.

13. Termination

13.1. Ordinary termination

Ordinary termination of the lease prior to expiry of its agreed duration shall be excluded. This shall also apply to the heirs’ right to termination pursuant to Section 580 of the German Civil Code (BGB).

13.2. Extraordinary termination

The right of both contracting parties to extraordinary termination of the lease for good cause shall remain unaffected by the above.

MC shall be entitled to extraordinary termination in particular if the Lessee is in arrears with payment of the individual lease instalment for two consecutive payment deadlines or with a substantial volume of the individual lease instalments,

if the Lessee is in arrears with an amount equivalent to two individual lease instalments – if the extent of the current payments differs from one another, the average instalment shall be used to determine the amount in question,

if a material deterioration of the Lessee’s financial situation occurs, giving rise to a danger of the Lessee’s ability to pay,

the Lessee continues to substantially violate its contractual obligations in spite of receiving reminders or if the Lessee fails to remedy the consequences of such contractual violations without delay,

if the Lessee has provided incorrect information on its asset situation, which is likely to endanger the financial interests of MC to a substantial degree,

the obligation to insure the leased vehicle is not complied with in accordance with the contractual arrangements made, or if agreed items of collateral are not provided or unavailable.

14. Compensation for damage

Following extraordinary termination, MC is to be placed in the same position it would have been in if the lease had continued undisturbed. No. 5.7 shall be of analogous application.

15. Return

15.1. On termination of the lease, irrespective of the grounds for such termination (expiry, ordinary or extraordinary termination), the Lessee shall be obliged to return the vehicle at his own expense and risk, incl. all keys and vehicle records, incl. the service folder and fuel card(s) as well as other accessories made available under specific contract by MC at a location to be specified by MC at the end of the agreement, in a state of repair corresponding to its age, free of any damage, washed and with a clean interior. The Lessee shall be obliged to sign a vehicle return record.

15.2. If the Lessee fails to return the keys, documents or other accessories to MC within a maximum of five working days of the date of return, the Lessee shall refund MC the costs of procuring a replacement vehicle and any loss sustained in the process.

15.3. If, on its return, the vehicle is soiled or has defects or damage not attributable to the normal age of the vehicle or contractually reasonable wear and tear, or if the vehicle is not in conformity with the regulations of the German Road Traffic Licensing Authority (StVZO) or does not meet the specifications of the law relating to exhaust gases, or if the Lessee fails to furnish evidence of the prescribed service and maintenance work being carried out, then the Lessee shall compensate MC for the depreciation of the vehicle compared with one that is in due and proper order. MC will commission a sworn appraiser to prepare an expert opinion on the depreciation of the vehicle. The costs of the appraiser shall be borne by the Lessee.

15.4. The vehicle is to be returned with summer tyres incl. a spare tyre in conformity with the standard tyres as regards quality (tyre brand), size, format, speed index and type of tyres (summer, winter, all-year tyres) with which the vehicle was equipped at the time of delivery.

If, for seasonal reasons, the vehicle is fitted with winter tyres at the time of return, then the summer tyres must be supplied as well inside the vehicle in the quality indicated above. In this case, the winter tyres shall become the property of MC, without a compensation payment being necessary on the part of MC.

If the tyres do not have the minimum tread depth required by the German Road Traffic Licensing Authority (StVZO), then the Lessee shall pay to MC the costs specified in the expert opinion in compensation. If the Lessee furnishes evidence of a lower loss, then he shall owe that amount.

In the event of termination of the lease, irrespective of the reason for such termination (expiry, ordinary or extraordinary notice of termination), the Lessee hereby reassigns to MC the claims and rights assigned to him in compensation for the disclaimers of liability and other third parties involved in delivery (No. 7.4), and MC accepts such assignment.
II. Rules relating to service components

1. General rules

1.1. In return for the service components, the service instalments individually specified in the agreement shall be payable. If these service components are liable to value added tax, they are quoted exclusive of value added tax at the rate prevailing from time to time. They are due and payable simultaneously with the lease instalment.

1.2. If the Lessee places orders that are not covered by the agreed service components and if this leads to payments having to be made by MC, then the Lessee shall be liable to pay compensation for any losses sustained by MC in the process. In addition, the Lessee owes MC a lump-sum payment of EUR 50.00 by way of processing costs for each transaction. The Lessee is free to furnish evidence that the actual processing costs incurred were lower.

1.3. Special termination for service components

If there is a material reason, MC shall be entitled, without notice, to terminate the agreement on service components as a whole or individually on a separate basis. MC shall be entitled to this right to termination in particular if the Lessee is in arrears in payment of at least two lease instalments or if he has filed for insolvency proceedings or if there are other grounds giving rise to concern that the Lessee will not be able to meet its payment obligations with reference to the service component.

2. Closed and open statements of account

2.1. If the variant "Closed statement of account" has been agreed for a particular service component, then no statement will be issued at the ordinary (contractually agreed) end of the lease for the costs incurred.

2.2. If the variant "Open statement of account" has been agreed for a service component, then the monthly payments agreed shall represent advance payments. At the end of the lease, MC will issue a statement for the actual expenses incurred. The advance payments will be netted with the resulting balance. If the advance payments exceed the balance, then the amount in excess will be paid out. If the balance exceeds the advance payments, then the Lessee shall settle the difference in amount plus value added tax. MC shall be entitled to call for an increase in the respective advance payments if it turns out in the course of the lease that the costs expected at the time of issuing the statement will exceed the agreed advance payments by at least 10%.

3. Maintenance and wear and tear

3.1. If the service component "Maintenance and wear and tear" was agreed, then MC shall assume the costs of carrying out the maintenance work in accordance with the Manufacturer’s recommendations. Included are costs of materials as well as the costs of carrying out wear-and-tear related repairs, provided the wear and tear corresponds to the mileage of the vehicle within the framework of the contractually agreed total mileage. Repairs, including those for wear and tear, the costs of which are expected to exceed EUR 500.00, net at the time of contracting, are subject to the prior approval of MC.

3.2. The instalment for this service component is calculated taking account of the duration of the lease and the annually agreed mileage.

3.3. The Lessee shall have repairs and maintenance work carried out by a specialist workshop authorised by the Manufacturer or MC.

3.4. The Lessee shall be issued with service cheques / cards. He can use these to place orders for maintenance and wear-and-tear repairs of the leased vehicle on behalf and for the account of MC for the duration of the lease in Germany. The Lessee shall be liable for any disadvantages and consequences of loss or abuse of the service cheques / cards. Any loss shall be reported to MC without delay. The service cheques / cards shall lapse without replacement at the end of the lease.

3.5. The contractor shall issue its invoices directly to MC.

3.6. The Lessee is obliged when collecting the vehicle to inspect the invoice for correctness, in particular to establish whether it corresponds to the order placed, and to notify MC of any items unjustly billed in his opinion within one week. In accordance with the information provided by the Lessee, MC may refuse to settle the invoice, either wholly or in part.

If the Lessee fails to report any invoice discrepancies to MC in good time, the Lessee shall be liable to MC for any loss or damage incurred.

3.7. If the Lessee pays out-of-pocket expenses abroad, such costs shall be refunded only up to the extent of the net amount that would have been charged by a domestic workshop for the service performed abroad.

3.8. MC shall not assume the costs of the following services and materials. They shall be assumed by the Lessee:

a) Fuels, top-up oils and lubricants required beyond the routine service deadlines prescribed by the Manufacturer;

b) Cleaning of the vehicle (outside wash, polishing, interior cleaning, engine wash);

c) Repairs and maintenance measures on special accessories, special equipment and installations, in particular repairs or replacement of radios, CD players, air-conditioning systems, aerials, navigation equipment;

d) Software updates as well as the purchase and replacement of navigation data.

e) Repairs on account of improper treatment of the vehicle (e.g. refueling with incorrect fuel, engine damage due to lack of oil, damage to the interior of the vehicle);

f) Tow-aways;

g) costs of replacement vehicles;

h) Axle measurement, axle adjustment, wheel balancing not associated with contractually agreed purchase of tyres (including old tyres being refitted);

i) Repair work for damage beyond normal wear and tear (e.g. damage caused by wild animals biting through hoses);

j) Vandalism;

k) replacement of hubcaps, ornamental trim, warning triangle, first-aid kit, jack, on-board toolkit.

l) AdBlue

3.9. If, in the case of a lease providing for closed statements of account, the actual total mileage exceeds the agreed mileage by over 10%, MC shall be entitled to convert the arrangement on the service component with retroactive effect to the contractual start from closed to open statements of account.

4. Motor vehicle tax

If the service component "Motor vehicle tax" (registration in the name of MC) or "motor vehicle tax collection" (registration in the name of the Lessee) is agreed, then MC shall pay the motor vehicle tax on the leased vehicles. The Lessee shall forward any tax notices received to MC without delay. MC shall be liable for surcharges or for loss caused through delay only in cases of gross negligence.

In the event of motor vehicle tax being paid in advance beyond the end of the lease, if the vehicle is registered in the name of the Lessee, the latter shall refund the excess paid on the basis of the final statement. The agreement on the service component taxes can be terminated separately from the lease by either party subject to 3 months to the end of a given month.

5. Radio listeners' licence fee (GEZ)

If the service component "GEZ" (registration in the name of MC) or "GEZ collection" (registration in the name of the Lessee) is agreed, then MC shall register the radio / television set installed in the vehicle with the contribution fee (service) of ARD, ZDF and the Deutsche-Landradio stations and shall pay the relevant fees falling due in the course of the contractual duration. If this service component is not agreed, then the Lessee shall ensure registration and payment of the contribution fee service himself. The service component is billed to reflect the exact payments made in a given month.

6. Tyre replacement

If the service component "Tyre replacement" is agreed, then the Lessee can have the replacement tyres defined separately according to type and volume purchased and fitted by a tyre partner specified by MC on its behalf and for its account, using the tyre cheques and service card. If the agreement provides for winter tyres with rims, then the rims shall be handed over as well when the vehicle is returned.

The costs of fitting, balancing and disposal (of worn tyres) shall be borne by MC only when new tyres are purchased. The costs of a tyre pressure control session ("RDKS") shall be assumed directly by the Lessee unless an RDKS service component is contractually agreed. The costs of tyres as well as for their fitting, balancing and disposal of worn tyres shall not be refunded unless tyre cheques / service cards are used.

The tyre cheques / service card shall lapse at the end of the lease; their further use is prohibited.

The Lessee shall assume the costs of tyres being placed in storage except as otherwise agreed in the contractual form.

7. Insurance policies

7.1. If the service component "Insurance" is agreed, then the vehicle will be insured by MC subject to the General Conditions for Motor Traffic insurance ("AKB"). MC is the policy holder. The selection of insurer is at the discretion of MC.

In this case, MC shall take out third-party liability insurance for the vehicle with a cover sum of at least EUR 8.0 million per injured person) and full insurance with comprehensive cover and maximum excess (deductible) of EUR 500 per event insured, and third-party cover and maximum excess of EUR 500 per event insured. MC shall be entitled within the scope of an annual review and depending on the claim history to make ad-

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GBCs, status as of 06/2017
justments to the premiums payable. If the premiums are raised, then the Lessee shall be entitled to terminate the service component insurance within one month of receipt of notification of such premium increase. Termination of the service component insurance has no bearing whatsoever on the effectiveness of the lease agreement as a whole. In particular, Item 1.11. (Insurance cover) shall remain unaffected, which means that the Lessee will need to take out insurance cover himself in the event of termination of the policy.

7.2. If the service component “Insurance collection” is agreed, MC will receive the invoice from the insurer issued to the Lessee, will pay the invoice amount and bill the premium paid by way of out-of-pocket expenses to the Lessee on a monthly basis.

8. Availability and use of fuel cards

8.1. If the service component “Fuel card” is agreed, MC shall make a fuel card available to the respective driver of the vehicle (authorised fuel card holder) named by the Lessee / authorised fuel card holder may use the fuel card for cashless payments at points of sale for those products and services agreed between the Lessee and MC. The service component shall be billed to reflect the exact payments made in a given month.

Delivery of the products and services to the Lessee, the authorised fuel card holder or other user (the latter referred to collectively as “Fuel card users”) shall be on behalf and for the account of MC. MC shall retain ownership to the merchandise supplied until payment of the purchase price and settlement of the remaining receivables arising from the business relationship.

MC has, in turn, entered into cooperation agreements with petroleum companies for the availability and use of fuel cards, on the basis of which the points of sale and the petroleum companies, respectively, deliver the products and services to MC.

8.2. a) Fuel cards are not transferrable to any third persons and must be signed by the authorised fuel card holder immediately upon receipt thereof. The authorised fuel card holder shall receive the PIN code necessary to use the fuel card. The Lessee undertakes to ensure that the authorised fuel card holder signs the fuel card on the reverse thereof.

To the extent that it is agreed between MC and the Lessee that the fuel card is to be assigned to a certain driver (“pool card”), MC shall make the fuel card and PIN code available to the employee named by the Lessee and responsible for the pool. Pool cards are not signed. Owing to the absence of any form of assignment to an authorised fuel card holder, in the case of pool cards no identity check can be carried out by means of a signature. The resulting risk shall be borne by the Lessee.

b) The PIN code of the fuel card must be kept secret and may only be disclosed to persons who are entitled to use the fuel card.

c) By entering the PIN code, the fuel card holder or other user of the fuel card simultaneously acknowledges receipt in full of the products and services. The points of sale are not obliged to verify the identity of the fuel card holder if the PIN code is entered correctly in the relevant device or if the signature on the reverse of the fuel card corresponds to that on the consignment note.

d) The fuel card must be kept in safe custody in order to prevent it from falling into the hands of unauthorised third parties. In particular, a fuel card may not be kept inside an unguarded vehicle. The PIN code may neither be noted on the card nor kept sin some other manner together with or in the immediate vicinity of the card.

e) The Lessee / authorised fuel card holder shall report any loss, damage or misuse of a fuel card without delay, specifying the loss or use of the card. The fuel card shall be blocked for further use. Such report must be made without delay to MC on telephone number +49-89 63266-501.

f) In the event of theft or misuse of the card, the Lessee shall be obliged to lay a charge and to make a copy of the charge on record by the police available to MC. This shall take place immediately on learning of the relevant state of affairs. The Lessee is obliged to report a fuel card reported as lost and subsequently found again to MC without delay.

As soon as the Lessee / authorised fuel card holder has reported the loss or misuse of the fuel card, MC shall assume liability vis-à-vis the Lessee for any and all damage sustained through the loss or use of the card. Until such time, the Lessee shall assume this risk unless it is assumed by third parties (e.g. the petroleum company) in exceptional cases.

h) The Lessee shall ensure that the fuel card users will also comply with the Lessee’s obligations in this agreement in connection with allowing the use of the fuel card. The Lessee shall be liable for the authorised fuel card holder and any other persons whom he or the authorised fuel card holder has allowed to use the fuel card and must therefore accept full responsibility for any culpable behaviour of the fuel card holders. The fuel card users shall be deemed to be vicarious agents of the Lessee.

i) MC points out that in the event of multiple incorrect PIN code entries, for security reasons it is possible to temporarily prevent any use of the card for purchases. The Lessee shall report this to MC without delay.

8.3. The products and services purchased by the authorised fuel card holder using the fuel card will be invoiced to MC by the petroleum company with which the points of sale entered into appropriate agreements. On the basis of the evaluation prepared by the petroleum company, MC will charge the products and services purchased with the fuel card to the Lessee on a monthly basis at the prices reflected at the points of sale plus possible charges as well as the prevailing rate of value added tax. Invoice amounts in foreign currency are translated into euros in accordance with the daily exchange rate at the time of invoicing by the petroleum company to MC.

The price reflected at the point of sale may increase due to charges billed to MC by the petroleum company, e.g. in connection with deliveries and services contracted abroad.

8.4. Special right of termination, availability and use of fuel cards

The agreement concerning the availability and use of fuel cards may be terminated separately from the lease and in the event of its continued existence by either party subject to 3 months’ notice to the end of a given month. The right to extraordinary termination for good reason shall remain unaffected by the above.

A right to extraordinary termination shall also arise for MC if the relevant petroleum company terminates the agreement entered into with MC for the availability and use of fuel cards:

MC shall be entitled, for safety reasons or in the presence of one of the grounds entitling the parties to termination without delay of fuel card use or of the entire lease to permanently block the fuel cards issued or to exclude delivery temporarily.

The fuel card shall be returned to MC without delay on termination of the agreement for availability and use of fuel cards, no later than the time of termination of the relevant lease.

8.5. The Lessee or the authorised fuel card holder shall register complaints and report defects concerning the quality of the merchandise and services received within 24 hours to the supplying point of sale on behalf of MC and to inform MC at the same time.

8.6. The Lessee is advised that the data generated within the scope of the availability and use of the fuel card will be stored by the points of sale, the petroleum companies and MC.
III. General provisions

1. Disclosures

1.1. The Lessee shall be obliged, without delay, to notify MC of all material facts in connection with the business relationship, in particular of any change of residence as well as changes to the usual domicile, changes in his name or legal form, without a request being necessary in this regard. This shall also apply if the facts are registered and published in public registers.

1.2. The Lessee shall make the necessary information and records available to MC in order to perform its statutory duties of care and disclosure (such as mandatory identifications pursuant to the German Money Laundering Act) and shall notify MC without delay in writing in the event of any changes (e.g. in legal form or a change to a representative body).

2. Assignment, transfer of rights, set-off

2.1. MC shall be entitled, in particular for the purpose of refinancing, to assign its receivables to third parties and also to transfer the rights and obligations under this agreement to third parties en bloc.

2.2. The Lessee shall be entitled to assign any claims and rights under this contractual relationship to third parties only in the event of prior approval having been given by MC.

2.3. The Lessee shall not be entitled to set-off of any counter-claims with the claims presented by MC or to assert a right of retention or lien unless the counter-claims of the Lessee have been finally adjudicated in a court of law or MC has expressly acknowledged the counter-claim in question.

3. Refinancing

The Lessee shall be obliged to allow MC and a refinancing institution specified by name in individual cases to inspect his current financial affairs at any time if requested, inter alia by presenting annual financial statements no later than nine months of the balance sheet date. Depending on the extent of the volume of business, this shall also apply to the submission of (partial) consolidated financial statements. Lessees not required to draw up balance sheets are required to present meaningful current records, including a list of assets and liabilities along with all suitable forms of evidence, such as business management statements, including lists of totals and balances, income tax return for the preceding year, by 1 September of each year.

4. Objections to invoicing

The Lessee shall present any objections to invoicing to MC in writing, without delay, no later than 6 weeks of the invoice date. On expiry of this period, the invoices shall be deemed to have been approved. The Lessee shall at no time be entitled to a right of retention or lien or the right to set-off. In departure from the provision above, the exclusion of the right of retention or lien shall not apply to any rights based on the same contractual relationship. Set-off with explicitly acknowledged receivables of the Lessee or those finally adjudicated in a court of law or MC has expressly acknowledged the counter-claim in question.

5. Miscellaneous

5.1. The “General Business Conditions” of MC shall be applicable. The “General Business Conditions of the Lessee shall not become part and parcel of the content of agreements entered into with MC. The GBCs of the Lessee shall not be applicable either if MC does not explicitly object to them or carries out its performance unconditionally even if aware of the Lessee’s conflicting GBCs.

5.2. In the event of any legislative amendments or organisational changes, MC reserves the right to adjust the GBCs accordingly. The amendments to the GBCs shall be communicated to the Lessee by email, clearly highlighted as such, and shall be deemed to have been approved unless the Lessee objects to the amended GBCs in writing within a period of six weeks after announcement of the amendments in question. Compliance with the period is ensured by furnishing proof of dispatch of the objections.

5.3. Any amendments and addenda to the contractual arrangements shall be in writing.

5.4. The place of performance in Munich. The parties also agree that Munich shall be the place of jurisdiction; for all disputes falling within the competence of the Regional Court, the parties agree that Regional Court Munich I shall be the competent court. However, MC shall be entitled to sue at any other competent court.

5.5. The laws of the Federal Republic of Germany shall be applicable, with the exception of the conflict rules under Private International Law.

5.6. The Convention of the United Nations on contracts concerning the international sale of merchandise of 11 April 1980 shall not apply within the scope of making available and using the fuel card between the Lessee and MC.

5.7. We are neither obliged nor willing to participate in any arbitration proceedings before any arbitration entities whatsoever.

5.8. Should any specific provisions be invalid or void, either wholly or in part, this shall not affect the validity of the remaining provisions. The contracting parties undertake to replace any invalid provisions by agreeing on corresponding valid provisions that best approximate the purpose commercially intended. This shall apply by analogy if it should turn out subsequently that this agreement contains a gap in need of being filled or supplemented.

IV. Data storage and processing at MC and engagement of external service providers

MC shall be entitled at the beginning of the business relationship with the Lessee and a joint or several debtor or guarantor to internally store, use and send data, which may also be personal, for application (e.g. lessee, joint and several debtor, guarantor, lease payments, duration of lease, commencement and extent of lease payments) and execution of the lease (e.g. early contractual settlement, termination without notice, filing an action, compulsory execution measures) pursuant to Section 28 of the [German] Data Protection Act (BDSG) to a refinancing institution for purposes of processing the lease application or lease and for refinancing the lease.

In addition, MC shall be entitled to outsource certain tasks such as in the field of claims management or collection of receivables to external third parties, who are authorised to act on their own responsibility in this regard. In the event of any utilisation of external special services, MC shall ensure that the respective service provider uses personal data – to the extent necessary – only to perform its respective tasks and subject to the data protection regulation in force from time to time.