

## 1. General provisions

1.1. These General Terms and Conditions of Sale and Delivery apply exclusively to companies within the meaning of Section 14 *BGB* (German Civil Code) i.e. natural persons or legal entities, which, in respect of the purchase of goods, are acting in the performance of their commercial or independent professional activities (hereinafter referred to as "Purchasers").

1.2 These General Terms and Conditions of Sale and Delivery apply exclusively to all contracts concluded between ourselves and the Purchaser concerning the delivery of goods. Differing terms and conditions of purchase or other differing terms and conditions of the Purchaser shall not apply unless we have expressly acknowledged them in writing. Our silence regarding such differing terms and conditions shall not be deemed in particular to be acknowledgement or consent, and this shall also apply to future contracts.

## 2. Quotation, conclusion of contracts, scope of delivery

2.1 Our quotations are subject to change and are not binding. If the Purchaser places a delivery order based on quotations subject to change, a contract shall be concluded, also in day-to-day business, only upon our written order confirmation if the Purchaser requests such confirmation. In all other cases, the contract shall be concluded by delivery of the goods. If an order confirmation is provided, this alone shall govern the content of the contract, in particular the scope of delivery and date of delivery.

2.2 We reserve the right to make excess or short deliveries of up to 10 % for ball bearings, freewheel clutches and seals which have to be specially manufactured.

2.3 Prices and performance data and other declarations or assurances shall be binding for us only if they have been made or confirmed in writing.

2.4 Any documents, drawings, details of weight, samples etc. enclosed with our quotation are only determined approximately. In particular, these are neither a guarantee nor is hereby a procurement risk assumed unless this is expressly indicated in writing as "guaranteed by law" resp. "assumption of a procurement risk". Any reference to standards and similar technical regulations shall not indicate a property of our products unless this is expressly indicated as a "property of the product".

2.5 We shall only be obliged to deliver from our own stock (obligation to deliver from stock).

2.6 Estimates of cost, drawings and other documents provided by us shall remain our property and copyright. They may not be made accessible to third parties without our prior consent.

## 3. Prices

3.1 Prices are euro prices unless otherwise stated and do not include turnover tax. This shall be invoiced separately at the respectively valid rate in accordance with respectively applicable tax provisions.

3.2 Unless otherwise agreed in writing, prices are ex works or ex our warehouse (EXW Incoterms 2010) and do not in particular include packing and shipping costs.

## 4. Terms of payment

4.1 Unless otherwise agreed in writing, all payments shall be made free paying office at the latest within 30 days of the invoice date without any deduction. Terms of payment shall be deemed met if the amount is at our disposal within the payment deadline. We grant 2 % cash discount on payments within 14 days of the invoice date unless the Purchaser is in default on that date with other invoices from us. We reserve the right to deliver cash on delivery or cash before delivery of 1/3 of the purchase price if we do not have ongoing business relations with the Purchaser i.e. the Purchaser has not hitherto ordered from us or more than 1 year has elapsed since the last order. We shall inform the Purchaser of this in writing, at the latest in the order confirmation.

4.2 The Purchaser shall have no right of retention unless it is based on the same contractual relationship. Set-off against disputed claims or claims which have not been recognised by declaratory judgment shall be excluded. We shall have the right to avert the exercise of a right of retention through provision of security, also through guarantee.

## 5. Retention of title

5.1 We shall retain title to the goods (goods subject to retention of title) until all claims against the Purchaser, to which we are entitled, have been met even if payment has been made for individual goods. Pledging or assignment as security shall not be admissible.

5.2 The Purchaser now already assigns to us, by way of precaution, the future claims against its customers arising for us from the resale or rental, without the need for special declarations at a later date, in the event of the admissible resale or rental of the goods subject to retention of title in the ordinary course of business, until payment of all our claims. The assignment shall also cover balance claims resulting from existing current account relationships or from the termination of such relationships of the Purchaser with its customers. If the goods subject to retention of title are resold or rented together with other items, without a unit price being agreed for the goods subject to retention of title, the Purchaser shall assign to us, with priority over the remaining claim, that portion of the total price claimed resp. the total rent which corresponds to the value of the goods subject to retention of title invoiced by us. The Purchaser shall be authorised to collect the assigned claims from the resale or rental until this is revoked. The Purchaser shall not, however, have the right to dispose of the assigned claims in another way e.g. by assignment. At our request, the Purchaser shall disclose the assignment to the customer and shall surrender to us the documents required to assert our rights against the customer e.g. invoices and shall provide the required information. All costs of collection and any intervention shall be borne by the Purchaser.

5.3 If the Purchaser processes the goods subject to retention of title, transforms them or combines them with other items, they shall be processed, transformed or combined for us. We shall become direct owner of the article produced by processing, transformation or combination. If this is not possible for legal reasons, we and the Purchaser shall agree that we are the owner of the new article at all times during processing, transformation or combination. The Purchaser shall keep the new article for us with the due diligence of prudent commercial judgment. Articles created from processing, transformation or combination shall be deemed goods subject to retention of title. Where an item is processed, transformed or combined with other items that do not belong to us, we shall have co-ownership of the new article in the amount of the portion resulting from the ratio of the value of the processed, transformed or combined goods subject to retention of title to the new article. If the new article is sold or rented, the Purchaser herewith assigns to us by way of precaution its claim with all ancillary rights against its customer arising from the sale or rental without the need for special declarations at a later date. The assignment shall only apply, however, in the amount of the value of the processed, transformed or combined goods subject to retention of title invoiced by us. The portion of the claim assigned to us shall have priority over the remaining claim.

5.4 If the value of the security for our claims against the Purchaser from the ongoing business relationship totals more than 20 %, we shall be obliged, at the Purchaser's request, to release securities, to which we are entitled, at the Purchaser's option.

## 6. Delivery, force majeure, delivery subject to own receipt of delivery

6.1 Specified delivery times are not binding unless otherwise agreed in writing. If delivery dates and periods are not binding or approximate (ca., about etc.), we shall use our best efforts to comply with them. Delivery periods agreed as binding in writing shall commence upon receipt of the order confirmation by the Purchaser but not before all details about the execution of the order have been clarified and all other requirements to be fulfilled by the Purchaser are met. This shall accordingly apply to delivery dates. Deliveries can be made before the delivery period ends.

6.2 If we do not receive deliveries or services from our sub-contractors for us to provide deliveries or services which are due from us under the contract, despite due and sufficient stocking in terms of quantity and quality under our delivery or service agreement with the Purchaser, for reasons for which we are not responsible, or they are incorrect or not in due time, or events of force majeure occur of significant duration (i.e. of longer than 14 calendar days), we shall notify the Purchaser in writing or text form in due time. In such case, we shall have the right to postpone the delivery for the duration of the obstruction, or to rescind the contract in whole or in part for that part of the contract not yet fulfilled if we have met our foregoing duty to provide information and have not assumed a procurement risk. Events of force majeure are strikes, lock-outs, official intervention, energy shortages and shortages of raw materials, transport bottlenecks through no fault of our own, company obstructions through no fault of our own, e.g. due to fire and water damage, and damage to machinery, and any other obstructions which, when considered objectively, were not caused by our negligence.

6.3 If a delivery and/or service date or delivery and/or service period is agreed with binding force and the agreed delivery or service date or the agreed delivery or service period is exceeded due to events according to paragraph 6.3 above, the Purchaser shall have the right, after a reasonable extension of time has elapsed without success, to rescind the contract for that part of the contract not yet fulfilled. The customer shall have no further claims, in particular claims for damages, in this case, if we have met our foregoing duty to provide information. The above provisions

pursuant to paragraph 6.4, sentence 1 and 2, shall apply accordingly if the Purchaser cannot be objectively expected to adhere further to a fixed delivery and/or service date for the reasons stated in paragraph 6.3, also if this is not contractually agreed.

6.4 If the Purchaser causes a delay in the dispatch or delivery of the delivery items, we shall have the right to charge the Purchaser for the additional expenses thereby incurred.

### 7. Passing of risk

7.1 The risk of accidental loss or accidental deterioration of the goods shall pass to the Purchaser upon the delivery item being handed over by us to the forwarding agent, carrier or third parties otherwise appointed to handle the shipment. This shall also apply if partial deliveries are made or we have taken over other services (e.g. shipment or installation).

7.2 If shipment is delayed due to circumstances for which the Purchaser is responsible or the shipment is sent at the Purchaser's request at a date which is later than the agreed delivery date, the risk shall pass to the Purchaser from the date on which the notice is sent stating that the delivery is ready for dispatch for the period of the delay. We shall be obliged at the Purchaser's request and expense to take out the insurances requested by the Purchaser.

7.3 Deliveries shall not be insured against theft, breakage, transport and fire damage without specific request by the Purchaser. If the Purchaser requests the conclusion of an insurance policy, this shall be concluded at the Purchaser's expense. The Purchaser shall provide any cooperation required.

### 8. Claims for defects and guarantee

8.1 The Purchaser shall inspect the goods immediately upon receipt if this is expedient in the ordinary course of business and, if a defect is found, shall notify us immediately in writing. Negotiations on any notices of defects shall not constitute our waiver of the objection that the notice was not in due time, unfounded in fact or otherwise insufficient.

8.2 If the Purchaser fails to provide this notice, the goods shall be deemed approved unless it is a defect which could not be detected in the course of a normal inspection. Sections 377 et seq. *HGB* [German Commercial Code] shall furthermore apply.

8.3 Obvious damages sustained during transport or other defects recognisable already at the time of delivery must also be confirmed by the deliverer's signature on the respective transport document when delivery is accepted. The Purchaser shall ensure that a corresponding confirmation is provided.

8.4 Supplementary performance shall be provided at our option by remedying the defect or supplying an article free of defects. If supplementary performance fails, the Purchaser shall have the right at its option to make a reduction or rescind the contract. This shall not affect the right to assert damages according to paragraph 9 of these General Terms and Conditions of Sale and Delivery.

8.5 Claims for defects shall become statute-barred within one year after the risk passes pursuant to paragraph 7 of these General Terms and Conditions of Sale and Delivery. This shall not apply in the cases pursuant to paragraph 9.2 of these General Terms and Conditions of Sale and Delivery.

8.6 We provide a guarantee of 1 year for ball bearings, freewheel clutches and seals as of start-up according to the provisions set forth below but ending at the latest 15 months after the risk passes according to paragraph 7.1. (hereinafter referred to as "Guarantee Period"). The guarantee is provided subject to the condition of normal working hours of one shift in respect of the respective product. The guarantee shall include at our option the repair or replacement of the respective product if this is proved to have been rendered unusable due to material or manufacturing defects within the Guarantee Period. Entitlement to the guarantee shall be excluded if the Purchaser has treated the corresponding product improperly, in particular has not complied with operating instructions, product or other user instructions provided or otherwise disclosed by us in the course of concluding the contract or delivery. The guarantee shall not cover defects caused in particular by improper installation, dirt or rust. Unless otherwise agreed, any goods subject to complaint by the Purchaser shall be further inspected at our works after immediate forwarding, to be carried out by the Purchaser at its expense. This shall not affect the Purchaser's obligations pursuant to paragraphs 8.1-8.3 above.

8.7 The foregoing guarantee regulations shall not affect statutory warranty rights pursuant to the provisions of these General Terms and Conditions of Sale and Delivery.

### 9. Liability

9.1 We shall not be liable, in particular not for claims by the customer for damages or reimbursement of expenses, for whatever legal reason, and/or for breach of duty from the obligation and tort.

9.2 The above exclusion of liability shall not apply

- in the case of own intentional or grossly negligent breach of duty and intentional or grossly negligent breach of duty by legal representatives or vicarious agents;
- in the case of violation of material contractual obligations; material contractual obligations are obligations, the fulfilment of which determines the contract, and on which the supplier may rely;
- in the event of injury to life, limb and health, also caused by legal representatives or vicarious agents;
- where we have assumed a guarantee for the quality of the goods or the existence of an outcome of performance, or a procurement risk;
- in the case of liability under the *Produkthaftungsgesetz* [German Product Liability Act] or other compulsory statutory liability.

9.3 If we or our vicarious agents are responsible only for slight negligence and none of the cases specified in paragraph 9.2 in bullet points 1, 3, 4 and 5 above exist, our liability shall be limited in amount, also in the case of violation of material contractual obligations, to typical and foreseeable damages at the time the contract was concluded.

9.4 Any further liability shall be excluded.

9.5 Exclusion resp. limitation of liability according to paragraph 9.1 to 9.4 above and paragraph 9.6 shall apply to the same extent for the benefit of our executive and non-executive employees and other vicarious agents as well as our sub-contractors.

9.6 If the supplier is entitled to damage claims according to paragraph 9, these shall become statute-barred upon expiry of the statutory limitation period applicable to the warranty claims for defects pursuant to paragraph 8.4 of these General Terms and Conditions of Sale and Delivery. Paragraph 9.2 of these General Terms and Conditions of Sale and Delivery shall apply accordingly.

9.7 There is no connection between the reversal of the burden of proof and the foregoing provisions.

### 10. Pre-emptive right

If the Purchaser's business is closed or wound up or the Purchaser can no longer process the goods purchased from us due to discontinuation of production or design modification, we shall have a pre-emptive right to the stocks of our products unless they are in any case already subject to retention of title pursuant to paragraph 5 of these General Terms and Conditions of Sale and Delivery.

### 11. Final provisions

11.1 Amendments to and modifications of these General Terms and Conditions of Sale and Delivery shall only be valid when given in writing. This shall also apply to this requirement of written form itself. This shall not affect the precedence of an individual agreement pursuant to 305b *BGB*.

11.2 Place of performance for deliveries and payments is Nuremberg.

11.3 Any disputes arising between ourselves and the Purchaser and in connection with the contract shall be settled exclusively before a competent Nuremberg court of law. We shall also have the right at our option to bring an action against the supplier at its place of general jurisdiction.

11.4 The law of the Federal Republic of Germany shall apply, to the exclusion of the UN Sales Convention (CISG).