

Terms of Delivery and Payment

The conditions and terms stated below are valid for deliveries and services to persons who by conclusion of the contract act in exercising their commercial or self-employed professional activity (entrepreneurs) as well as to legal entities under public law or to special funds under public law.

Deliveries and services are performed exclusively according to our terms of delivery and payment, which the buyer acknowledges with receipt of our order acknowledgement, at the latest, however, with the acceptance of the goods ordered. Deviating purchase terms of the buyer will not become subject matter of the contract, not even by acceptance of the order.

The validity of the United Nations Convention on Contracts for the International Sale of Goods (CISG) will be excluded.

Orders, collateral agreements, alterations and other agreements will not become effective unless confirmed by us in writing.

Prices: It is the prices and price conditions published on the day of delivery that are effective. Value added tax will be charged additionally in the respectively valid amount.

The minimum price per order amounts to 100 Euro. Deliveries at a lower order value are invoiced at this price.

Customized products: In case of production of samples or goods according to customer specifications not included in the normal delivery assortment, reasonably reduced or increased quantities are considered as agreed upon.

Times of delivery remain without obligation until acceptance of the order – subject to prior sale – and are calculated from the date of receipt of the order or respectively, at the earliest with effect from final agreement on the execution of the order and the handover of the files, approvals and releases to be provided by the customer. In case that the delivery time is stipulated as days, it is only the usual working days that count. The delivery time is considered to be complied with, if by expiry of the delivery time, the goods have left the factory, or if information was given, that the goods are ready for dispatch.

Delivery times are given with reservation to essential, unforeseeable circumstances during production and other impediments as force majeure, delay in transport, operational disturbances, or labour conflicts in the own factories or in those of suppliers.

In case that the buyer suffers damage due to a delay culpably caused by us, he is entitled to claim compensation for default. It amounts for each full week of delay ½ %, in total, however, at the most 5 % of the value of that part of the delivery, which due to the delay could not be delivered in time, or which cannot be utilized in accordance with the contract. All other claims are excluded.

Packaging: Our products will be packed according to customer request either in single packaging or in multiple packaging, both in accordance with our packaging standards.

Disposable packaging material as wooden crates, cardboard boxes, etc. is invoiced at cost price, and is not returnable. Multi-way pallets and cage pallets, pallets with frames and covers and cassettes remain our property, and have to be returned immediately without cost to the delivery base.

Bulk packages contain the quantity listed as minimum package in our price lists. Quantities deviating from this minimum package or multiples thereof can only be delivered in single packages, provided this complies with minimum order quantities.

Dispatch: The choice of the mode of dispatch is at the discretion of the delivery base, partial deliveries are admissible.

Payments have to be made in principle in Euro plus the legally valid VAT. Payment by cheque or bill of exchange will not be accepted unless agreed upon otherwise. The effective date of payment is considered as complied with, if we can dispose of the means of payment within the set payment term. In case that the payment term is not met, a default of payment occurs. The buyer is not entitled to withhold payments or compensate by counterclaims, unless these were confirmed by court, or if they are undisputed. In the event of excessive indebtedness and cessation of payments with subsequent application for an insolvency proceedings and other culpable non-compliance with agreed terms of payment, all receivables due from the buyer to which we are entitled, including bills receivable, become due with immediate effect. In case of payment of premature receivables, a reasonable discount will be granted.

Retention of title: We retain title to all goods delivered by us until full payment is made; to this effect all deliveries are considered to be one single comprehensive delivery transaction. In case of current account, retention of title is to be considered as security for the balance payable to us.

If the buyer assembles our goods with other articles to form a unit, we shall pro rata be joint owner of the new product. If the buyer resells the goods delivered by us to their final intended receiver, he assigns to us already now the resulting

claims against his customer including all ancillary claims until full payment of all amounts due to us is made. This includes also claims from letters of credit and similar securities. At our request, the buyer is obligated to notify third parties of such assignment and to provide us with the necessary information and documents for the assertion of our right. We revocably authorize the buyer to collect the receivables assigned to us in his own name for our account. This authorization to collect the receivables can only be revoked, if the buyer does not duly meet his obligations.

Irrespective thereof, the authorization to collect receivables becomes automatically nil and void – without explicit revocation – as soon as the buyer or a third party applies for the opening of an insolvency proceedings on the property of the buyer.

The buyer is obligated to inform us immediately on any seizure of goods under retention of title, or of any other detriment to our rights by third parties.

In case of default of the buyer, we are entitled to claim back the goods under retention of title. The taking back of the goods as well as the seizure of the goods under retention of title does not mean a revocation of contract, unless this is explicit declared by us in writing.

We will release securities held by us to the extent as their value exceeds the claims to be covered by more than 20 % in total.

In case that retention of title should not be fully effective in this form for any legal reasons, the buyer is obligated to obtain legally effective security for our claims and to assist in the necessary activities.

Warranty: In case of deliveries which upon examination are found and proven to be wholly or partly unserviceable due to defects, for which we are responsible, we will at our own choice under consideration of technical and/ or commercial aspects, either repair without cost, replace the parts, or reduce the sales price thereof. Of the direct cost incurred by the remedy, we will bear the cost of the repair or of the replacement, respectively, if these are legally owed, including forwarding expenses as well as costs of mounting and dismounting, which are reasonable in relation to the value of the defective subject of the delivery, and in as far these are related to domestic locations. Freight cost for the return of the defective goods will be reimbursed only, if the return of the goods was explicitly done on our request. As for the rest, the cost is to be borne by the buyer. In the event of unjustified warranty claims, we are entitled to claim the reimbursement of expenses occurred to us from the buyer. The warranty term is 24 months after delivery of the item, subject to mandatory law provisions stating a longer statutory period of limitation. The originally agreed upon warranty term

continues for repaired items; it is prolonged only by the time in which the delivered item is not useable. The same applies accordingly to the deliveries of replacements. We have to be notified immediately of all perceptible transport damages; in case of all other defects and deficiencies, we have to be notified within 8 days following the detection of the defect.

We can decline warranty claims, if we are not notified in time on defects. The same applies, if we are not given time and possibility to execute all measures, which we consider as necessary for a due assessment of circumstances. Only in urgent cases in which the operational safety of the buyer is endangered and in which disproportionately high damage has to be warded off, in the course of which we have to be notified immediately, or if we are in default with the remedy of the defect, and if the latter was not remedied even after expiry of a reasonable additional extension of the term, the buyer is entitled to have the defect remedied by himself or by third parties, and to claim from us a reimbursement of the cost to be borne by us within the framework of compliance with warranty claims, to rescind the contract, or to declare it nil and void. This right to rescind the contract of the buyer exists – under consideration of the legally provided exceptions – also in all other cases, in which a remedy of the warranty claims within the additional time period fails. All other claims of the buyer, in particular a claim for replacement of damages, which have not been incurred on the subject of the delivery itself, are excluded. Liability as regulated below shall remain unaffected thereof.

We can also reject the fulfilment of warranty claims, if the general technical instructions in our catalogues and printed matters were not observed.

Information written in catalogues and price lists does not constitute a guarantee, neither expressed nor implied.

Industrial property rights and copyrights; defects of title

Unless otherwise agreed, we are obligated to render the delivery free from third parties' industrial property rights and copyrights (thereinafter referred to as property rights) only in the country, where the place of delivery is located. In as far a third party brings forward justified claims towards the buyer for an infringement of property rights by deliveries which were rendered by us, and used in accordance with the contract, we are liable towards the buyer within the term as set forth in the paragraph "Warranty" as follows:

- We will upon our own choice at our cost either obtain a right of utilization or make adjustments to avoid an infringement of the property right, or replace the delivered item. In the event that this is not possible at reasonable conditions or above all within a reasonable time limit, the

buyer can make use of the statutory right to withdraw from the contract or to claim a reduction of the purchase price.

- Our obligation regarding claims for damages is provided in accordance with the paragraph below "Liability".
- The a/m obligations on our part are effective only, if the buyer has notified us immediately in writing on the third party claims asserted against him and if he does not acknowledge an infringement, and if all means of remedy and settlement negotiations are reserved to us.

Claims of the buyer are excluded to the extent he is responsible for the infringement of property rights. Claims of the buyer are also excluded to the extent the infringement of property rights was caused by specific instructions of the buyer, by an application which was not foreseeable by us, or was caused by changes of the delivered item by the buyer or the application of it together with products not delivered by us.

Claims of the buyer directed against us and our auxiliary persons, other than or beyond those provided in this paragraph, due to a defect of title, are excluded.

Liability: We can be held liable in case of

- wilful misconduct
- gross negligence on the part of statutory representatives and executive officers
- culpable injury to life, body or health
- culpable infringement of essential contractual duties
- fraudulent non-disclosure of a defect, or defects the non-existence of which were explicitly guaranteed
- defects of the subject of the delivery, for which there is a liability within the framework of the product liability laws for personal and material damage to privately used objects.

For gross negligence of non-executive officers we are held liable only, if they have infringed essential contractual duties. In this case, and in cases of liability for slight negligence in the infringement of essential contractual duties, liability is limited to the direct damage which is typical in the meaning of the contract, and which could have reasonably been foreseeable.

Further claims of the buyer, especially a claim for reimbursement of damages, which were not incurred at the subject of the delivery itself, are excluded. This applies also to damages, which are based on the infringement of industrial property rights and to tortuous acts.

Use of software: To the extent software is included in the delivery item, we hereby grant the buyer a non-exclusive, non-transferable license that is limited to a definite time period according to the provisions of the particular delivery contract, to use the software and the accompanying documentation in connection with the relevant delivery item. The use of the software in connection with more than one delivery item is forbidden. The granting of sub-licenses is not permitted.

The buyer may only manifold, revise, translate or modify from object into source code the software to the extent as such activity is permitted by applicable law provisions (§§ 69 a ff UrhG - German Copyright Act).

The buyer shall not remove or modify manufacturer information - in particular copyright labels or notices - on the delivery item without our prior written approval.

We reserve all other rights to the software and the accompanying documentation, including possible copies thereof.

Restriction of utilization: Our products as standard are not developed and intended for use in aviation or space applications and radiation areas of nuclear stations and equipment in the meaning of the Atomic Energy Law. In case standard products are nevertheless built into applications in the areas cited above, we decline any liability in case of potential damages, unless there is a written approval on our part for this exception.

Ancillary duties and advice: Contractual ancillary duties (e.g. maintenance instructions) and advice in as far as these are related to the subject of the delivery, are fulfilled diligently, to the best of our knowledge and state of the art and in accordance with the operational conditions as stated by the buyer. With regard to warranty and liability, also in case of potential omissions, the terms stated above are valid in their intended meaning. Mere recommendations are given without engagement.

Place of performance and jurisdiction: Place of performance for the delivery is our respective delivery location. Place of performance for the payment as well as place of jurisdiction is Schweinfurt. However, we are also entitled to file a suit at the domicile of the buyer.

Data protection: It is pointed out in the meaning of the Federal Data Protection Act (BDSG) that we store data on customers and use them within the framework of the cooperation.

Delivery of products of SKF Slewing Bearings S.A.: In the case of delivery of products by SKF Slewing Bearings S.A., the respective terms of delivery and payment which are valid for these, take precedence over and supplement these Terms of Delivery and Payment.

Note: More specific terms and conditions, in particular for the rendering of general services, for the refurbishment of bearings and other components, for technical assistance and advice as well as for engineering consultancy services in their respectively valid version take precedence over the conditions above.