

General Terms and Conditions for Deliveries, Services and other Performances of Dr. Gebert Technologie und Wälzlager GmbH in Commercial Transactions. Version as of 2012

I. Scope of Application

1. The GTC below apply to our deliveries, services and all other performances (e.g. repairs, assembly work, etc.) – hereinafter referred to as “Deliveries” – in commercial transactions. By accepting our order confirmation or our Deliveries, our contract partner recognizes that these GTC apply exclusively and waives the application of conditions or general terms having a different content.
2. These GTC shall also apply to all future Deliveries, even if such are made without any written order confirmation.
3. Any deviating conditions of the buyer which we do not explicitly recognize shall not be binding for us, even if we have not explicitly objected to such.
4. The below GTC shall also apply if we fulfill the buyer’s orders without restrictions, in full awareness of opposing or deviating conditions of such buyer.

II. Offer, Contract Conclusion and Withdrawal

1. Our offers are non-binding. Contractual agreements will only take effect when we confirm them in writing.
2. All information and data sheets are only a more detailed description of the Deliveries and are generally not to be deemed as an assurance or guarantee, unless exclusively agreed otherwise in writing.
3. We reserve the right to request advance payments, pre-payments or the provision of sufficient collateral upon conclusion of the contract. If any agreed payments or pre-payments are not received in due time, if the contract partner essentially violates their contractual duties or if we become aware of circumstances after the conclusion of the contract which are suited to significantly impair the contract partner’s solvency or credit worthiness, we shall, notwithstanding any other claims, be authorized to request advance payments or sufficient collateral for our claims before the start or continuation of the Deliveries and to withdraw from the contract, if the contract partner is neither willing to exchange the services against gradual payment nor to provide any adequate collateral. The statutory right of lien on our part for objects of the contract partner provided to us shall remain unaffected.

III. Performance and Transfer of Risk

1. Delivery dates or periods which were not explicitly agreed upon as being binding shall be deemed to be non-binding. Precondition for their application is, in each case, the amicable clarification of all facts that we require before the performance of the order. Correct and timely deliveries to us remain reserved in commercial transactions. We make assurances on delivery dates and periods of imported items under the proviso that we are only obliged to perform customary procurement measures; the agreed delivery period will be extended adequately in case of force majeure or any other unforeseeable, extraordinary circumstances that arise without our fault.
2. Our Deliveries will be made ex works Schweinfurt, Germany, unless explicitly agreed otherwise. The shipment will be made for the contract partner’s account and risk. That shall apply even if and insofar as the transport is made by members of the company. We shall, therefore, even in the latter case, only be liable pursuant to Art. 11 hereof.
3. We shall be authorized, at any time, to make partial deliveries and to render partial services, insofar as that is reasonable for the contract partner.

IV. Prices and Packaging

1. Unless agreed otherwise in writing, our prices apply ex works, excluding packaging or other additional services and potential surcharges pursuant to an agreement and plus value added tax at the legal rate. Costs for packaging will be billed separately.
2. Pallets, wooden crates, cardboard boxes and disposable packaging will be charged at cost and will not be taken back, unless agreed otherwise in writing.
3. We shall be authorized to request an adequate adaptation of the agreed prices for Deliveries, in the

case of failure to meet the agreed delivery date for reasons not attributable to us (e.g. if requested by the customer) or if, in case of call-off master agreements (i.e. the purchase of a pre-determined number of goods in a specified period), the agreed term is exceeded due to the incomplete call-off of the agreed goods during the specified period.

V. Payment, Set-Off and Retention

1. Our claims shall fall due for payment, net without deduction, 30 days after the invoice date in the contract currency. The deduction of a discount of 2% in case of a payment within 14 days shall be permitted only after a written agreement. The payment shall also be deemed due, in particular, if the contract partner is provided with the Delivery in line with the contract or if it is offered for acceptance, and if they reject the call-off or the receipt or acceptance.
2. Bonuses and other discounts can only be set off, if we have issued a credit note or if any other written regulation applies. Discounts, bonuses, etc. will not apply to freight and other additional services.
3. If a contract partner is in default of payment, the legal regulations shall apply.
4. If the contract partner is in default of payment or if we become aware of any circumstances that are suited to impair the contract partner's asset or financial situation, our claims will fall due for payment immediately, without deduction.
5. The contract partner will only be entitled to a right of set-off if their counter-claims were found to be legally effective in court or are undisputed. The contract partner will only be allowed to exercise a right of retention insofar as their counter-claim is based on the same contractual relationship.

VI. Retention of Title

1. We reserve the title to the delivered object until receipt of the full payment for any and all claims arising from the delivery contract. That shall also apply to all future Deliveries, even if we do not explicitly refer to that. We shall be authorized to retrieve the object of purchase if the buyer's conduct is in violation of the contract.
2. The buyer shall be obliged to treat the object of purchase with care for as long as the title has not passed to them. They shall be obliged, in particular, to take out a sufficient insurance against theft, fire and water damage, at their own expense. If any maintenance and inspection work needs to be performed, the buyer shall perform it in due time and with due care at their own expense. For as long as the title has not yet passed to them, the buyer shall inform us immediately in writing if the delivered object is pledged or exposed to any other interventions by third parties. Insofar as the third party is unable to reimburse to us the court or out-of-court costs of any action pursuant to Sec. 771 of the ZPO [German Code of Civil Procedure], the buyer shall be liable for any loss we suffered.
3. The retention of title applies, in addition, until any and all claims to which we are entitled against the contract partner under the business relationship have been fulfilled. In case of current account operations, the property subject to retention of title shall be considered as collateral for the balance claim. Furthermore, the goods subject to retention of title shall also be subject to a prolonged reservation of title.
4. The buyer is entitled to resell the goods subject to retention of title in their normal business transactions. The buyer assigns to us their claims arising from the resale of the goods subject to retention of title, in the amount of the final invoice sum agreed with us (including value added tax). This assignment shall apply regardless of whether the object of purchase was resold without or after being processed. The buyer shall remain authorized to collect the claim even after the assignment. Our entitlement to collect the claim ourselves shall also remain unaffected. However, we will not collect the claim for as long as the buyer fulfills their payment obligations out of the proceeds they receive, is not in default of payment and, in particular, if no request for initiation of insolvency proceedings was filed or a cessation of payments applies.
5. The machining and processing or conversion of the object of purchase by the buyer will always be made in our name and on our behalf. In this case, the buyer's expectant right to the object of purchase continues to exist in the converted object. Insofar as the object of purchase is processed with other objects not belonging to us, we acquire co-ownership in the new object in proportion of the objective value of our object of purchase to the other processed objects at the time of processing. The same shall

apply in case of mixing. Insofar as the mixing is done such that the buyer's object is to be considered the main object, it shall be deemed agreed that the buyer transfers to us a pro-rated co-ownership and keeps for us the sole ownership or co-ownership which arose in this manner. In order to secure our claims against the buyer, the latter shall also assign to us those claims which arise for them against any third party from the combination of the goods subject to retention of title with a land plot; we accept this assignment already as of now.

6. We undertake to release the collateral to which we are entitled at the buyer's request insofar as their value exceeds the claims to be secured hereunder by more than 20%.
7. In case of any violation of obligations on the part of the contract partner, in particular in case of default of payment, we shall, after the fruitless expiry of an adequate period granted to the contract partner for elimination, be authorized to withdrawal and take-back; the legal provisions on the dispensability of setting a deadline shall remain in full force and effect. The contract partner is obliged to surrender the objects.

VII. Delivery Periods and Default

1. Precondition for the compliance with delivery deadlines is that any and all documents to be provided by the contract partner, any required approvals and releases, in particular plans, are received in due time, and that agreed payment terms and other obligations are fulfilled by the contract partner. If these preconditions are not fulfilled in due time, the periods will be extended accordingly; that shall not apply if the delay is attributable to us.
2. If the non-compliance with the deadlines was caused by force majeure, e.g. natural disasters, mobilization, war, unrest or similar events, e.g. strike, lock-out, etc., the periods will be extended accordingly.
3. If we are in default of agreed or scheduled Deliveries, and the cause is neither intent nor gross negligence, the contract partner shall not be entitled to any claims for damages under the contract or to any consequential damage.
4. The contract partner may only withdraw from the contract under the legal provisions, insofar as we are solely responsible for the delay of the Delivery. The above regulations shall not be associated with any change of the burden of proof to the detriment of the contract partner.
5. The contract partner shall be obliged to declare, at our request and within an adequate period, whether they still insist on the Delivery despite the delay or which of the claims and rights to which they are entitled they will assert.

VIII. Impossibility

1. Insofar as the Delivery proves to be impossible, the contract partner shall be entitled to request damages, unless the impossibility is not attributable to us. The contract partner's claim for damages is restricted to a maximum of 5% of the value of that part of the Delivery which could not be put into useful service due to the impossibility. This restriction shall not apply insofar as a mandatory liability applies in case of intent, gross negligence or due to the injury of life, body or health; that shall not be associated with any change of the burden of proof to the detriment of the contract partner. The contract partner's right to withdraw from the contract shall remain unaffected.
2. In case of a temporary impossibility, Art. 7 (Delivery Periods; Default) shall apply.
3. Insofar as unforeseeable events in terms of Art. 7 (2) significantly change the economic importance or the contents of the Delivery or have an essential effect on our operation, the contract will be adapted by observing good faith. Insofar as that is not reasonable for economic reasons, we have the right to withdraw from the contract. If we wish to make use of this right of withdrawal, we shall notify the contract partner within an adequate period, after having gained knowledge of the consequences of the event, even if a prolongation of the delivery period has initially been agreed with the contract partner.
4. Insofar as force majeure in terms of Art. 7 (2) applies and it is no longer economically reasonable for us to remain bound by the contract, we shall be entitled to a contractual right of withdrawal of which the contract partner shall be notified immediately after having gained knowledge of the consequence of the event. That shall apply even if a prolongation of the delivery period has initially been agreed with the contract partner. Any obstacle attributable to us shall not constitute grounds for withdrawal from

the contract for us. The same shall apply in the event that the default is a temporary condition.

IX. Material Defects

We shall be liable for material defects as follows:

1. All those Deliveries which contain a material defect within the limitation period, to the extent that the cause of such existed already at the time of transfer of risk, shall be repaired, newly delivered or newly rendered (subsequent performance) free of charge, at our choice.
2. Claims for material defects shall become statute barred after 12 months. That shall not apply insofar as the law prescribes longer periods pursuant to Sections 438 (1) no. 2 (Buildings and Things for Buildings), 479 (1) and 634a (1) no. 2 of the *BGB* [German Civil Code] and in case of an injury of life, body or health or in case of an intentional or grossly negligent violation of any duty or in case of a fraudulent concealment of any defect. The regulations on expiry suspension, suspension or new start of periods shall remain in full force and effect.
3. Notices of defects pursuant to Sections 377, 381 II of the *HGB* [German Commercial Code] shall be delivered in writing.
4. In case of notices of defects, the contract partner shall be entitled to withhold payments that are in an adequate proportion to the material defects which occurred. The contract partner may withhold payments only if a notice of defects is made whose justification is beyond doubt. If a notice of defects is wrongly made, we shall be entitled to request the contract partner to compensate us for the expenses we incurred.
5. Initially, we shall be given the option to provide a subsequent performance within an adequate period of time. If such subsequent performance fails, the contract partner may withdraw from the contract or reduce the payment.
6. No claims for damages shall apply in case of an only insignificant deviation from the agreed quality, an only insignificant impairment of the usability, in case of a natural wear or damage which arises after the transfer of risk due to any incorrect or negligent treatment, excessive strain, unsuitable equipment, unsuitable construction soil or based on special external influences which were not foreseeable under the contract, and in case of irreproducible software errors. If the contract partner or any third party performs any improper changes or repair work, no claims for defects shall apply to such or the consequences arising from such.
7. The contract partner has, under their own responsibility, verified whether and how the goods ordered from us can be used and applied by them. No claims for defects apply to the functioning of the Deliveries for the use or application by the contract partner.
8. Claims of the contract partner for expenses required for subsequent fulfillment, in particular cost of transport, road costs, labor and material expenses, shall be excluded, insofar as the expenses increase since the contract partner subsequently transported the object of delivery to another place than the contract partner's defined branch, unless the relocation does not comply with the intended use or is only possible with unreasonable costs due to the relocation for the intended purpose.
9. Any recourse of the contract partner pursuant to Sec. 478 of the *BGB* against us shall apply only insofar as the contract partner has not made any agreements with their buyers which go beyond the statutory claims for defects.
10. Any further claims of the contract partner against us and our vicarious agents for any material defect other than those provided for in this Art. 9, regardless of their legal reason, shall be excluded, unless a liability applies due to an intentional or grossly negligent violation of a duty or the injury of life, body or health or due to the assurance of absence of any defects. The above regulations shall not be associated with any change of the burden of proof to the detriment of the contract partner.

X. Industrial Property Rights, Copyrights and Defects of Title

1. Unless agreed otherwise, we undertake to make the Delivery free of any industrial property rights and copyrights (hereinafter: Property Rights) only in the county of the place of delivery. Insofar as any third party asserts any justified claims against us for the violation of Property Rights by any Deliveries rendered by us and used in line with the contract, we shall be liable to the contract partner as follows within the period specified in Art. 9 (2):

We will, at our choice and our cost, either obtain a right of use for the affected Deliveries, change them so that no Property Right is violated, exchange them or voluntarily take them back. If that proves impossible for us under reasonable conditions, the contract partner shall have the statutory rights of withdrawal or reduction of payment.

The above-mentioned obligations apply only insofar as the contract partner immediately notifies us, in writing, about the claims asserted by any third party, does not recognize any violation and insofar as any defense measures and settlement negotiations remain reserved for us. If the contract partner stops using the Delivery for reasons of mitigating the damage or for other important reasons, they shall be obliged to notify the third party that no recognition of any violation of a Property Right is associated with the stoppage of use.

2. Claims of the contract partner shall be excluded insofar as they are responsible for the violation of the Property Right.
3. Furthermore, any claims of the contract partner shall be excluded insofar as the violation of the Property Right is caused by special requirements requested by the contract partner, by an application that is unforeseeable by us or by the fact that the contract partner changed the Delivery or used it together with products not supplied by us.
4. In case of violations of Property Rights, the provisions of Articles 9 (4) and (5) shall apply, mutatis mutandis, to the contract partner's claims provided for in para. (1).
5. In case of other legal defects, the provisions under Art. 9 shall apply mutatis mutandis.
6. Any further claims of the contract partner against us and our vicarious agents for any legal defect other than those provided for in this Art. 10, regardless of their legal reason, shall be excluded, unless a liability applies due to an intentional or grossly negligent violation of a duty or the injury of life, body or health or due to the assurance of absence of any defects. The above regulations shall not be associated with any change of the burden of proof to the detriment of the contract partner.

XI. Other Claims for Damages

1. Any claims for damages and for the reimbursement of expenses of the contract partner (hereinafter "Claims for Damages"), regardless of the legal reason, in particular due to the violation of duties under the debt relationship and from tort shall be excluded.
2. That shall not apply insofar as a mandatory liability applies, e.g. under the *Produkthaftungsgesetz* [Product Liability Act], in case of intent, gross negligence, the injury of life, body or health, the acceptance of a guarantee for the quality of an object, the fraudulent concealment of a defect or the violation of essential contractual duties. The claims for damages for the violation of essential contractual duties shall, however, be limited to the foreseeable damage that is typical for the contract, unless intent or gross negligence applies or in case of an injury of life, body or health or due to the assurance of the absence of a defect.
3. Insofar as the contract partner is entitled to claims for damages under this Article, these shall become statute barred upon expiry of the limitation period applicable to claims for material damages under Art. 9 (2). That shall not apply to intent, gross negligence, the injury of life, body or health or in case of a fraudulent concealment of a defect or in case of claims under the *Produkthaftungsgesetz*.
4. The above regulations shall not be associated with any change of the burden of proof to the detriment of the contract partner.

XII. Personal Liability in Case of a Failure to Provide Information or Disinformation about Insolvency Risks

1. Contract partners with whom we are in ongoing business relations or which start business relations with us are obliged to inform us about any existing or arising insolvency risks. Those shareholders and/or managing directors of legal persons who intentionally or negligently violate this duty to provide information, shall be personally liable to us for the reimbursement of the full damage that we incur due to the violation of duty.

XIII. Data Storage

1. Data of our contract partner will only be stored in the legally permitted manner, insofar as that is necessary for the proper delivery and performance of the contract.

XIV. Drawings and Other Documents

1. We reserve property rights and copyrights to drafts, drawings, calculations and other documents provided to the contract partner. Such must not be used for any other purposes than those specified and must not be made accessible to any third parties. In case the order is not awarded, they shall be returned immediately.

XV. Place of Fulfillment and Place of Jurisdiction

1. The place of fulfillment for our Deliveries shall be at the registered office of the company, unless another place is agreed upon at the time of order placement or the subsequent order confirmation.
2. The place of jurisdiction shall be at the Local Court of Schweinfurt or the Regional Court of Schweinfurt, even in regard to bills of exchange or check-based claims; if the contract partner is not a merchant in terms of the *HGB* [German Commercial Code], the competency as set forth in the *ZPO* [German Code of Civil Procedure] shall apply. However, we shall also be authorized to sue the contract partner at the place of their registered office or branch.

XVI. Choice of Law and Interpretation

1. The laws of the Federal Republic of Germany shall apply exclusively, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG).

XVII. Miscellaneous

1. The conclusive performance of the order shall be deemed equivalent to an order acceptance.
2. The order relationship will be finally restricted by the customer's order; amendments and supplements shall be made in writing to be effective.
3. If individual provisions hereof are or will become invalid or impracticable after conclusion of the

contract, the remaining contract shall remain in full force and effect. The invalid or impracticable provision shall be replaced by a valid and practicable provision the effects of which come as close as possible to the economic objective pursued by the contract parties with the invalid or impracticable provision. The above provisions shall apply, mutatis mutandis, in the event that the contract proves to contain a loophole.