

1. Conclusion of Contract

- a) All contracts for deliveries shall be governed by the Terms and Conditions set forth below, even if we do not specifically refer to them in future. Any general terms and conditions of our contract partner which conflict with these Terms and Conditions are hereby expressly rejected.
- b) Our offers are without engagement. We shall only be bound by our written order confirmation.
- c) Any agreements which deviate from these Terms and Conditions or from our order confirmation shall only be valid if confirmed by us in writing.
- d) Conclusion of contract shall be subject to correct and timely supply to us by our suppliers. This reservation shall, however, only apply in cases where failure of our suppliers to supply correctly or on time is not due to our fault, especially in the case of conclusion of a congruent covering transaction with our suppliers. The customer will be informed without delay of any unavailability of supplies.

2. Price

- a) A minimum order value of EUR 75,- applies for all orders.
- b) Works certificates, certificates pursuant to EN 10204 which exceed the scope of works certificate 2.1, e.g. works certificate 2.2, or acceptance testing certificates such as certificate 3.1B shall be subject to a charge of EUR 60,-.
In the case of complete first sampling for standard parts, we shall make a charge of EUR 250,-.
- c) We reserve the right to amend our prices commensurately in the case of any decrease or increase in costs occurring after conclusion of a contract, especially as a result of collective wage agreements or increases in material prices. Evidence thereof will be provided to the customer on request.

3. Delivery

- a) Any agreed period for delivery shall only start once all details of the order have been clarified and the customer has fulfilled all his relevant obligations. The day of readiness for dispatch shall be deemed the day of delivery. Part-deliveries shall be permissible insofar as they would not be unreasonable for the customer.
- b) Should we or our suppliers be affected by any circumstances which are beyond our control (e.g. raw material or energy shortages, labour disputes or any events of a force majeure nature or Acts of God) and which impede or render delivery impossible for us, the period for delivery shall be extended by the duration of the impediment or obstacle, together with a reasonable start-up period. In the case of impossibility to deliver as a result of any circumstances of the aforesaid kind, we shall have the right to repudiate the contract.
- c) In the event of any delay in delivery, the customer may allow us reasonable additional time. Should delivery not be effected within this additional time, the customer may repudiate the contract. The customer shall have no claim to compensation except on grounds of grossly negligent or wilful breach of obligations or breach of material contractual duties or on grounds of mandatory liability on account of injury or damage to life, limb or health. In the case of delay in any part-delivery, the customer may derive no claims therefrom in respect of the other parts of the delivery except in cases where these would then be of no interest to him.
- d) The customer shall have a duty to inform us on our request and within a reasonable period whether in the case of a delay in delivery he wishes to repudiate the contract and/or to claim compensation in lieu of delivery or whether he insists on delivery.

4. Acceptance Procedure

- a) Where an acceptance procedure in accordance with special terms and conditions has been agreed, the acceptance procedure shall be performed by the customer in our works at his own expense.
- b) Should the customer fail to carry out the acceptance procedure, the goods shall be deemed delivered on leaving our works.

5. Shipment and Passing of Risk

- a) Our deliveries are effected ex works. The costs for any form of special delivery (courier, express, etc.) requested by the customer shall be borne by the customer except where the special delivery is made necessary as a result of conduct on our part for which we are responsible.
- b) The risk of accidental loss and accidental deterioration of the goods shall pass to the customer on hand-over to him or in the case of, shipment, on delivery of the goods to the freight forwarder, carrier or other person or organisation appointed to effect shipment.
- c) Unless agreed otherwise, the transport route and means of conveyance shall be of our choice. We shall only be liable in the case of fault arising from gross negligence or wilful intent on our part or for any fault in the fulfilment of material contractual duties in the aforesaid choice. This foregoing limitation of liability shall not apply in the case of injury or damage to life, limb or health which is imputable to us.
- d) Transport insurance will be taken out only on the express wish of the customer, for the customer's account and in accordance with a special agreement.

6. Packing

- Packing will be done in accordance with our packing standards. It is one of our principles to minimise packing material and to use only environmentally friendly materials. The use of reusable packing (e.g. boxes) must always be agreed with us in advance and shall be subject to special approval on our part. The same shall also apply to any special packing requirements of the customers. Non-returnable packing will not be taken back by us.

7. Dimensions, Weights and Delivery Quantities

- a) Dimensions and weights of the ordered goods may deviate from our offers and order confirmations within the scope customary in the trade or be subsequently amended by us.
- b) Inconsiderable over-weights or under-weights arising through production shall not give the customer cause for complaint.
- c) An over-quantity or under-quantity of up to 10% as against the order quantity shall be permissible.

8. Warranty

- a) The customer shall examine the goods without delay and notify us of any defects in writing within 14 days from arrival of the goods at the place of destination. Any hidden defects must be notified to us without delay, and in all cases not later than 7 days after discovery of the defect. All further processing of parts which are claimed to be defective must cease until clarification of the possibility for further use. Any parts which are claimed to be defective must be sent to us without delay on our request.

If so requested by us, we shall be given the opportunity to examine claimed defects on the spot. Except with our consent, goods which are claimed to be defective must not be changed; otherwise, the customer may lose his claim to warranty.

The customer shall bear the full onus of proof when claiming for defects, and in particular in respect of the defect itself, the time of discovery of the defect and the timeliness of notifying the defect.

- b) Claims for defects may not be made in the case of only inconsiderable deviation from the agreed nature or quality of the goods, in the case of only inconsiderable impairment to their utility, in the case of natural wear and tear, or in the case of damage caused after the passing of risk through faulty or negligent handling or treatment, excessive strain, inappropriate fuels or lubricants, deficient building work, unsuitable foundations or particular external influences not provided for in the contract, or in the case of non-reproducible software faults. The customer shall likewise have no claim for defects in respect of or for any consequences of modifications or repairs performed inexpertly by the customer or third parties. Warranty shall also be excluded where the warranty conditions of the supplier of the complete item of machinery are not fulfilled.
- c) In the case of accessories not produced by ourselves, we assign all our warranty claims which we may have against our suppliers to our customers. The customer must first attempt to obtain warranty performance from our sub-supplier. Only when the assertion of such claims at law has proved abortive shall the customer then have warranty claims against Glacier Garlock Bearings pursuant to this clause 8.
- d) In respect of the nature or quality of the goods, only the content of our product description shall be deemed agreed. Public statements, promotional claims or advertising by us or others shall not constitute any contractual statement as to the nature or quality of the goods.
- e) Where reference samples are produced and sent to the customer for inspection, we shall only be liable for delivering in accordance with such reference samples after incorporation of any corrections which may be agreed.
Only the reference sample sent to the customer for inspection and testing or our workshop

drawing shall be authoritative for performance, dimensions, weights and suitability.

- f) In the case of any defects in the goods, we shall initially effect warranty by repair or replacement, whichever we deem fit. Should two attempts at remedy fail, the customer may, at his option, claim a reduction in price or cancellation of the contract.
The customer shall have no right of cancellation in the case of only minor breaches of contract, and in particular in the case of only minor defects.
- g) Should the customer receive faulty installation instructions, we shall only have a duty to supply fault-free installation instructions, and even then only in the event that the fault in the installation instructions prevents installation in the proper manner.
- h) Claims of the customer in respect of costs incurred in connection with remedy, in particular transport, labour and material costs, shall be barred to the extent that such costs are increased by the item of delivery having been taken after delivery to another place than that to which it was originally delivered, except where this has been done in accordance with the use for which it was intended.
- i) If after attempts at remedy of a legal infirmity or a material or quality defect have failed the customer should opt to cancel the contract, he shall have no additional claims to compensation on account of the defect. This shall not apply in the case of malicious conduct.
- j) If after attempts at remedy have failed the customer should claim compensation, the good shall remain with the customer provided this would not be unreasonable for him. Compensation in lieu of performance shall be limited to the difference between the purchase price and the value of the defective item. This shall not apply where the breach of contract has been caused by us maliciously.
- k) The customer shall have a duty, on our request and within a reasonable period, to declare whether on account of failed attempts at remedy he wishes to reduce the purchase price, to cancel the contract or to claim compensation in lieu of performance.
- l) The period of warranty shall be 1 year from dispatch/delivery of the goods. This shall not apply in cases where longer periods of warranty are mandatory pursuant to Art. 438 Para. 1 No. 2 (Buildings and Items for Buildings) and Art. 479 (Rights of Recourse) of the BGB [German Civil Code].
- m) Customer's claims for damages on account of a defect shall lapse one year from dispatch/delivery of the goods. This shall not apply in cases where we are found guilty of malicious conduct.
- n) The customer shall receive no guarantee in the legal sense from us. This shall be without prejudice to manufacturers' guarantees.
- o) The parties have a duty to inform each other.

9. Advice and Recommendations

Our design and material proposals are made to the best of our knowledge and belief. Our liability shall, however, be limited to false information provided wilfully or through gross negligence on our part or to any culpable violation of material contractual duties.
The foregoing limitation of liability shall not apply in the case of injury or damage to life, limb or health which is imputable to us.

10. Terms of Payment

- a) Unless otherwise agreed, payments shall be made in advance.
- b) The application of Art. 366 BGB is barred.
- c) The customer shall have a right of offset only if his counterclaims have been finally and absolutely established at law or are recognised by us. The customer may exercise a right of retention only in respect of counterclaims arising from the same contractual relationship.
- d) In the case of any delay in payment, we shall have the right to claim interest on the amount owed at a rate of 8% above the base interest rate. We reserve the right to claim for higher loss caused by default provided we can show evidence thereof.
- e) In the case of failure to comply with our terms of payment or any circumstances which cast the creditworthiness of the customer in doubt, we shall have the right to make all our claims due for payment immediately, notwithstanding any bills of exchange received. In any such case, we shall also have the right to make further deliveries only in return for advance payment or the provision of securities and, after a reasonable additional time, to repudiate the contract or to claim compensation for non-performance.

11. Reservation of Title

- a) We reserve title to the goods ("reserved goods") until fulfilment of all our claims against the customer arising from our business relationship with him, including those on current account as well as interest, costs and any claims for compensation. In the case of any delay in payment, we shall have the right to repudiate the contract and to demand return of the goods.
- b) The customer shall have the right to sell the reserved goods in the ordinary course of business. He may not dispose of them in any other way.
- c) The claims of the customer arising from the resale of our goods are hereby already assigned to us by way of security in the amount of the value of the goods supplied by us. Besides ourselves, the customer is also entitled to collect such claims himself for as long as he fulfils his payment obligations, does not fall into arrears with payment or, in particular, bankruptcy proceedings are not opened against him or the opening of such proceedings is refused due to lack of funds, or the customer does not cease payments. In any of the foregoing cases we may demand that the customer inform us of the assigned claims and of the persons or parties by whom they are owed, provide us with all information as well as all documents and records needed for making collection and inform such persons or parties (third parties) of the assignment.
- d) The customer shall have a duty to handle and treat the goods with care. He shall, in particular, have a duty to insure them adequately, at new value and at his own expense, against loss or damage through fire, water and theft.
- e) Goods supplied by us may only be mortgaged or assigned by way of security after settlement of all our claims in full. Any attachment of reserved goods must be notified to us without delay. We undertake, on the request of the customer, to release securities to which we are entitled insofar as the realisable value of the securities held by us exceeds the amount of the claims secured by them by more than 20%. The choice of the securities to be released shall rest with us.
- f) Any processing or refashioning of the delivered goods by the customer shall always be done on our behalf. Where the goods are processed together with other goods not belonging to us, we shall acquire co-title to the new item so created in the same proportion as that of the value of the goods (total invoice amount, including value added tax) to the value of the other goods at the time of processing. In all other respects, the same shall apply to the new item created by processing as to the goods supplied under reservation of title.
- g) Where the goods are inseparably combined with other goods not belonging to us, we shall acquire co-title to the new item in the same proportion as that of the value of the reserved goods (total invoice amount, including value added tax) to the value of the other combined goods at the time of combination. Where combination is such that the customer's item must be seen as the main item, it is agreed that the customer shall grant us proportional co-title thereto. The customer shall then preserve the exclusive or co-title so created on our behalf. As security for our claims, the customer shall also assign to us the claim which may accrue to him against a third party through combination of the delivered goods with real property.

12. Return Shipments

Return shipments owed by the customer and having a goods value of less than EUR 25.00 cannot be accepted by us.

13. General

All other claims, except those arising from wilful or grossly negligent breach of obligation or culpable violation of material contractual duties are barred.
The foregoing limitation of liability shall not apply in the case of claims of the customer arising under product liability law. Nor shall it apply in the case of injury or damage to life, limb or health which is imputable to us. Insofar as our liability is excluded or restricted, so shall also be the personal liability of our employees, servants, representatives and vicarious agents.
All legal relationships with our customers shall be governed exclusively by German law. The provisions of the UN Convention on Contracts for the International Sale of Goods shall not apply. Where the customer is a registered trader, a legal entity under public law or a special asset fund under public law, the legal venue shall be Heilbronn.