

General Terms and Conditions of John Crane Bearing Technology GmbH,

Goettingen

Supplier Identification

John Crane Bearing Technology GmbH
Robert-Bosch-Breite 10
37079 Goettingen
Germany

Amtsgericht Goettingen HRB No. 4092
VAT-ID: DE240740164

Management board:
Dr. Gerd Hermes
Dr. Morched Medhioub

§ 1 General Terms and Conditions - Validity, Collision Clause

(1) The General Terms and Conditions apply to the entire business connection between the buyer and us, John Crane Bearing Technology GmbH (hereinafter referred to as JCBT).

(2) Customers in terms of the General Terms and Conditions at hand are exclusively industrialists. The offers by JCBT are exclusively directed at industrialists. Industrialists in terms of these General Terms and Conditions are all natural persons, legal entities or partnerships with legal capacity with whom a business connection is established and whom exercise an industrial or self-employed activity.

(3) The sales terms of JCBT exclusively apply; buyer's terms contrary to or differing from the sales terms of JCBT are not accepted by JCBT, unless JCBT has expressly agreed to the validity of such terms in writing. The sales terms of JCBT also apply if JCBT renders delivery to the buyer without reservation whilst aware of contrary or differing terms of the buyer.

§ 2 Copyrights

Copyrights on samples, cost estimates, drawings and the like, corporeal and incorporeal information – also in electronic form –, proprietary rights and copyrights remain exclusively at JCBT and must not be made accessible to third parties. JCBT commits itself to refrain from disclosing to third parties information described by the buyer as confidential, unless the buyer has consented to this.

§ 3 Conclusion of the Contract, Sales Terms, Contractual Exclusion of Set-Off, Terms of Payment

(1) All placed orders, which are only carried out in accordance with these terms of delivery and payment, are only effective upon written confirmation of acceptance by JCBT, which reserves the right to refuse acceptance of every order that only relates to part of the offer. The same applies if the buyer fails to provide complete specifications or workshop drawings within 14 days from the date of written confirmation. Alterations and additions regarding these terms of delivery and payment are only valid if JCBT has acknowledged these in writing in each individual case.

(2) Buyers without a credit account must add references to their orders. In the event of unsatisfying information and references, JCBT is entitled to request advance payment or cash on delivery with 2% discount, even if an order confirmation has already been given.

(3) The customer is not entitled to set off own claims against our pecuniary claims, unless the customer's claims have been ascertained undisputed or legally effective. Retention of payments due to any customer's counterclaims not acknowledged by JCBT or not ascertained legally effective is inadmissible.

(4) Unless sufficient securities are provided, undue invoices become due in the event of default of payment of a payable invoice or deterioration of assets.

(5) The invoice made out on the date of delivery becomes due after 30 days net, 2% discount is granted on payment within 14 days. The date of receipt of the money, cheque or bank transfer by JCBT or its bank is decisive for punctuality of payment. In the event of default of payment, the respective debit interest is charged as interest on arrears, in which case JCBT is not obliged to render any advance payment from any contract. In order to secure payment, the customer may be requested to produce an irrevocable and confirmed letter of credit or a bank guarantee 2 weeks prior to the date of delivery.

§ 4 Passing of Risk

The goods are delivered ex works for the account and at the risk of the buyer. JCBT selects the mode of dispatch, unless the buyer has given particular instructions for dispatch. The goods are only insured should the buyer request this. Partial deliveries are admissible as long as they can be reasonably imposed on the customer. JCBT selects the packaging for the delivery items and charges the packaging to the customers account.

§ 5 Delivery Deadlines, Delays in Delivery, Legal Consequences

(1) The delivery deadlines stated in the order confirmations and offers are not fixed deadlines and only apply approximately.

(2) If non-adherence to deadlines can be put down to force majeure, e.g. mobilisation, war, riot or similar events, e.g. strike or lockout, the deadlines are adequately extended.

(3) JCBT is liable according to the legal provisions in the event of delay in performance due to intent or gross negligence of JCBT or a representative or subcontractor. In other cases of delay in performance, liability of JCBT is limited to 5% for compensation in addition to performance and to 5% of the value of the goods to be delivered in case of compensation instead of performance. Further claims of the buyer are excluded, even after expiry of a set time limit for performance by JCBT. The aforementioned limitation does not apply for liability due to harm to life, physical harm or damage to health. Alteration of the burden of proof to the buyer's disadvantage is not connected to the aforementioned regulations.

(4) If the term of delivery has elapsed without existence of a cause mentioned in paragraph 1, the buyer must grant JCBT a time limit of 28 days for subsequent delivery via registered letter with return receipt, in which he announces that he shall refuse delivery upon fruitless expiry of the time limit and shall demand compensation instead of performance and/or shall withdraw from the contract.

§ 6 Impossibility of Performance, Liability

(1) If delivery is impossible, the buyer is entitled to demand compensation according to the legal provisions. However, the buyer's compensation claim in addition to or instead of performance, as well as his claim for reimbursement for the unavailing expenditure is limited to 5% of the value of the part of delivery that cannot be used as a result of impossibility. Additional claims by the buyer due to impossibility of delivery are excluded. This limitation does not apply in the event of liability due to intent, gross negligence or harm to life, physical harm or damage to health.

(2) The buyer can only withdraw from the contract within the scope of the legal provisions in the event of a breach of duty on the part of JCBT. The buyer must at the request of JCBT and within a suitable period of time announce whether he will withdraw from the contract due to the breach of duty or whether he insists on delivery. However, the legal provisions prevail in case of defects.

(3) Alteration of the burden of proof to the buyer's disadvantage is not connected to the aforementioned regulations in paragraphs 2 and 3.

§ 7 Reservation as to Self-Obtainment of the Supplies

(1) JCBT assumes no supply risk. It is entitled to withdraw from the contract, should it fail to receive the delivery item in spite of previous conclusion of a corresponding purchase agreement. JCBT's responsibility for intent or negligence remains unaffected.

(2) JCBT will immediately inform the buyer, if the delivery item is not available in time and, if required, will immediately exercise its right of withdrawal, in which case JCBT will immediately refund to the buyer the appropriate monetary return service.

§ 8 Notification of Damages in Transit

(1) All deliveries must be checked for completeness and intactness in the presence of the delivery agent. If visible damages in transit are determined, the customer is obliged to record these on the shipping documents and have these acknowledged by the delivery agent. In this case the packaging must be retained at all events.

(2) If the (partial) loss or damage is not visible, the buyer must notify JCBT within 3 days after delivery or at least notify the forwarding company within 7 days after delivery, in order to safeguard that any claims towards the forwarding company are asserted on time.

(3) The buyer is obliged to give JCBT written notification of obvious material defects and defects of title within 7 days after receipt of the goods. Posting of the notification within the time limit is sufficient. The buyer must describe the defects as clearly as possible.

§ 9 Retention of Title

(1) The delivery item remains property of JCBT until all claims towards the buyer from the business connection are satisfied.

(2) The buyer is permitted to process, mix or combine the delivery item with other objects. Processing, mixing or combination (hereinafter collectively: "processing" and with regard to the delivery item: "processed") takes place for JCBT. The processed new item is described as "new product". The buyer safekeeps the new product for JCBT with the diligence of a prudent businessman.

(3) In the event of processing with other objects not property of JCBT, JCBT is entitled to co-ownership of the new product according to the percentage amounting from the proportion of the value of the processed delivery item in relation to the value of the remaining processed goods at the time of processing. If the buyer acquires sole ownership of the new product, JCBT and the buyer agree that the buyer grants JCBT co-ownership of the new product according to the value of the processed delivery item in relation to the remaining processed goods at the time of processing.

(4) In case of sale of the delivery item or new product, the buyer hereby by way of security assigns to JCBT his claims from resale towards the customer, inclusive of all ancillary rights, without the necessity of further particular explanations. The assignment applies inclusive of any balance claims, however only according to the amount corresponding to the price of the delivery item invoiced by JCBT. Satisfaction of the proportion of the claim assigned to JCBT must be given priority.

(5) Until revocation, the buyer is authorised to collect the outstanding debts assigned in § 9 (Retention of Title). The buyer will immediately forward to JCBT payments made on the assigned claims, up to the amount of the secured debt. JCBT is entitled to cancel the buyer's authorisation to collect in the event of existence of an important reason, particularly in case of delayed payment, cessation of payment, opening of insolvency proceedings, bill protest or justified indications for over-indebtedness or imminent insolvency of the buyer. Furthermore, JCBT can, upon prior warning and subject to an appropriate term, disclose the transfer by way of security, realise

the assigned debts and request the buyer to disclose to the customer the transfer by way of security.

(6) In the event of substantiation of legitimate interest, the buyer must provide JCBT with the information and documents required for assertion of its rights against the customer.

(7) Pledging or transfer by way of security on the buyer's part is prohibited during effectivity of the retention of title. Solely resellers are allowed to resale in the proper course of business and only on the condition that payment of the counter value of the delivery item is made to the buyer. The buyer must also agree with the recipient that the recipient only acquires property once this payment has been made. The buyer must immediately inform JCBT in the event of levy of execution, seizure or other court orders or third-party intervention.

(8) If the realisable value of all security rights to which JCBT is entitled exceeds the amount of all secured claims by more than 10%, JCBT will at the buyer's request release an appropriate proportion of the security rights. JCBT is entitled to decide which security rights are to be released.

(9) In the event of breach of obligations, particularly default of payment on the buyer's part, JCBT is entitled to demand restitution of the delivery item or new product and/or to withdraw from the contract even without prior fixing of a deadline. The buyer is subsequently obliged to reconstitute the delivery item/new product. The claim for restitution of the delivery item/new product does not imply withdrawal from the contract on the part of JCBT, unless this is expressly declared.

§ 10 Guarantee, Supplementary Performance

(1) JCBT is by no means obliged to provide replacement or render re-production within the scope of supplementary performance. Should supplementary performance fail, the buyer is entitled to reduction of the purchase price or – if construction work is subject of liability for defects – to withdraw from the contract, according to his own option. Application of § 478, section 1 German Civil Code (Contractor's Right of Recourse) remains unaffected. The customer's right to demand compensation instead of performance in accordance with the legal provisions and these provisions also remains unaffected.

(2) JCBT is at all events entitled to select between remedial action and re-production or re-performance.

(3) Should the customer request compensation instead of performance, or should he decide to carry out self-remedy of defects, failure of subsequent improvement is only acknowledged after an unsuccessful second attempt. For the rest, the legal circumstances of dispensability of deadline appointment remain unaffected.

(4) The buyer bears the expenses required for the purpose of supplementary performance, provided that they increase due to delivery of goods to a place other than the buyer's place of business, unless the delivery corresponds to the intended use of the goods.

(5) We expressly point out that friction bearings are wear parts and that functional defects resulting from wear are not covered by the guarantee. The same applies for faulty installation and/or operation. No guarantee is accepted in the following particular cases: inappropriate or improper use, faulty assembly or commissioning by the buyer or third parties, natural wear and tear, incorrect or careless handling, inaccurate maintenance, unsuitable operating resources, defective construction work, unsuitable building ground, chemical, electrochemical or electrical influences – provided that JCBT is not responsible for these. JCBT is not liable for the consequences of improper subsequent improvement carried out by the buyer or a third party. The same applies for alterations made to the delivery item without the prior consent of JCBT.

(6) We are only liable for defects based on an instruction or specification by the customer in accordance with the legal provisions and these general terms of delivery and payment, if JCBT has assumed in writing the risk of occurrence of defects in consequence of instructions or specifications. For the rest, the customer must ensure that instructions and specifications do not result in defects of the goods manufactured and delivered by us, unless JCBT has

in writing assumed the aforementioned risk of occurrence of defects.

§ 11 Statutes of Limitation

(1) The period of limitation for claims and rights due to delivery/performance defects – regardless of the legal ground – is one year. However, this does not apply in cases specified in § 438, section 1 No. 1 German Civil Code (Defects of Title Relating to Immovables), § 438, section 1 No. 2 German Civil Code (buildings, objects for buildings), § 479, section 1 German Civil Code (Contractor's Right of Recourse) or § 634 a, section 1 No. 2 German Civil Code (Buildings or Works, the success of which consists in the provision of corresponding planning or monitoring services. The fixed terms stated in the preceding clause 2 are subject to a limitation period of three years. Warranty claims do not exist in the event of trivial deviation from the agreed quality or in case of trivial impairment of usability.

(2) The limitation periods according to section 1 also apply for all compensation claims against JCBT, which are connected to the defect – irrespective of the legal basis of the claim. If any type of compensation claim not connected to a defect exists against JCBT, the limitation period stated in section 1, clause 1 applies.

(3) The limitation periods according to sections 1 and 2 apply under the following conditions:

a) The limitation periods generally do not apply in the event of intent or fraudulent concealment of a defect, or if JCBT has accepted a guarantee for the quality of the delivery item.

b) The limitation periods do not apply for compensation claims in the event of harm to life, physical harm, damage to health or restriction of liberty, for claims according to the Product Liability Act, in the event of a grossly negligent breach of duty or breach of fundamental contractual obligations.

(4) The limitation period for claims commences on delivery and for work performance on acceptance.

(5) Unless expressly determined otherwise, the legal provisions regarding commencement of the limitation period, suspension of the running limitation period, obstruction and resumption remain unaffected. Alteration of the burden of proof to the customer's disadvantage is not connected to the preceding regulations.

§ 12 Embargo Regulations

Both parties are aware that the goods, services, technologies and data supplied by JCBT may be subject to embargo regulations, particularly UN or EU regulations (hereinafter referred to as embargo regulations). Both parties are thus obliged to adhere to all embargo regulations. The buyer particularly commits himself to communicate to JCBT all information required for checking of a statutory embargo, particularly name and address of the end customer, place of installation or use and purpose of use. Non-compliance with this duty to inform initially constitutes a right of retention for JCBT. Should the buyer fail to provide the information even within a written final deadline of two weeks, JCBT is entitled to terminate the contract without notice. The buyer will inform JCBT of the necessity of permits according to embargo regulations and both parties will obtain the permits required for export, re-export and import and will refrain from carrying out exports or re-exports for which a permit does not exist. The buyer commits himself to observe on his own responsibility all embargo regulations and import/export provisions that apply to the contractual deliveries or services. The buyer carries all customs, fees or other charges accumulating for cross-border deliveries and/or services. In the event of resale or other transfer of the contractual performance to third parties, the buyer will impose on the respective third party the duty of impartation of any obligations to obtain permits, as well as adherence to embargo regulations that apply to the contractual performance.

§ 13 Storage of the Wording of the Contract, Data Protection

(1) The wording of the contract is stored upon conclusion of the contract.

(2) On purchase, personal data (e.g. name, address, postal address etc.) is forwarded to JCBT for order processing. Data relating to the

purchase is transferred to the respective forwarding agency and the principal bank of JCBT, as far as this is necessary for the sales transaction.

JCBT at all events treats personal data confidentially, safely and carefully. Processing and storage takes place according to the legal provisions of the Federal Data Protection Act (BDSG) and the German Telemedia Act (TMG).

(3) JCBT does not forward personal data to third parties unless transfer of information is required for proper sales transaction or a statutory or judicial duty to forward personal data to authorities entitled to receive information exists.

(4) JCBT uses cookies on the Internet pages. The sole purpose of these cookies is simplification of the order process. However, the offer can still be used in the event of deactivation of cookies in the browser settings. The buyer is by all means entitled to cancellation of storage of personal data at any time and has a right to information on the personal data stored at JCBT.

§ 14 Final Provisions

(1) German law is authoritative for the business connection, these terms of delivery and payment, their content and construction. Place of fulfilment and performance as well as exclusive legal venue, even for summary action based on cheques and bills of exchange, is the domicile of the company John Crane Bearing Technology GmbH in Göttingen.

(2) The provisions of the UN Convention on Contracts for the International Sale of Goods (UN-Sales Law) do not apply.

(3) Possible legal ineffectiveness of individual provisions does not affect the validity of the remaining provisions.

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