

**General Terms and Conditions of Purchase
of Nidec Graessner GmbH & Co. KG THE GEAR COMPANY**

§ 1 Scope of application

- (1) Our General Terms and Conditions apply to the purchase of goods and the commissioning of services in accordance with the contract concluded between us and the supplier.
- (2) Our General Terms and Conditions shall apply exclusively and without renewed express reference also to all future orders placed with the supplier. We do not recognize any deviating terms and conditions of the supplier unless we have expressly agreed to their validity in writing. Our General Terms and Conditions shall also apply if we accept performance without reservation in the knowledge that the Supplier's terms and conditions conflict with or deviate from our General Terms and Conditions.
- (3) Our General Terms and Conditions shall only apply to companies, legal entities under public law and special funds under public law within the meaning of Section 310 (1) of the German Civil Code (BGB).

§ 2 Order and offer documents

- (1) If we submit an offer with our order, we shall be bound by it for a maximum of 7 days, unless a shorter or longer period is expressly stated in the order. Orders placed verbally shall only become effective upon our written confirmation. If the supplier issues an order confirmation, the supplier must include our order number on this confirmation.
- (2) If we are already in a business relationship with the supplier, § 362 of the German Commercial Code (HGB) shall also apply.
- (3) We reserve all property rights and copyrights to illustrations, drawings and other documents; they may not be made accessible to third parties without express written consent. After completion of the order, they must be returned to us without being requested to do so. Prior to execution of the order, the supplier shall be obliged to check the aforementioned documents for completeness, correctness and suitability for the intended purpose and to point out any possible problems to us. If the supplier does not raise any objections, this shall be at the supplier's expense.

§ 3 Prices and terms of payment

- (1) The price stated in our order is binding. Unless otherwise agreed in writing, this price includes CPT works delivery and packaging. The supplier shall be obliged to take back the packaging if we ask the supplier to do so.
- (2) All prices are net fixed prices plus the statutory value added tax. We can only process invoices if they indicate the order number shown in our order in accordance with the specifications; the supplier shall be responsible for all consequences arising from non-compliance with this obligation
- (3) Unless otherwise agreed in writing, we shall pay the amount within 14 days, calculated from delivery and receipt of the invoice, with a 3% discount or net within 30 days of receipt of the invoice. The period shall commence at the time when both an auditable invoice and the goods have been received by us or the services have been rendered.
- (4) The time between notification of defects and complete supplementary performance shall not be taken into account when calculating the payment deadline in accordance with Clause 3.
- (5) In the case of design and engineering services, the supplier may only invoice the actual time spent according to hourly rates if this has been expressly agreed. In this case, the supplier must obtain our decision before exceeding the agreed time expenditure. In all other cases, the complete performance of services shall be agreed with a fixed price even if this was calculated on the basis of an anticipated time expenditure. In these cases, over- or underruns of the actual effort shall not be taken into account.
- (6) We shall be entitled to rights of set-off and retention to the extent provided by law; claims existing against us may only be assigned to third parties with our written consent.

§ 4 Delivery time

- (1) The delivery time stated by us is binding; any deadlines shall commence upon receipt of the order by the supplier.
- (2) The supplier shall inform us in writing without delay if the supplier is unable to meet the agreed delivery date, whereby our rights due to delay in performance shall remain unaffected by this duty to inform.
- (3) If the supplier is in default with the delivery, the supplier shall be liable to us for each commenced calendar week or part thereof of the delay, up to a maximum of 10% of the order amount as a contractual penalty. The assertion of statutory claims due to delay in performance shall remain unaffected.

§ 5 Transfer of risk

- (1) In the case of purchase contracts, the risk shall only pass to us upon receipt of the goods by us.
- (2) In the case of contracts for work and services, the risk shall pass to us after an express acceptance in the form of an acceptance protocol.

§ 6 Condition and quality of the goods

- (1) The supplier warrants that its goods comply with the relevant laws, regulations and DIN standards. If necessary, the goods must bear a CE marking and be CE-compliant.
- (2) Insofar as we provide the supplier with samples, plans, drawings, material and/or accessories, the supplier shall be obliged to check these for completeness, correctness and suitability for the intended purpose and to notify us immediately of any incompleteness, incorrectness or unsuitability. If the supplier does not raise any objections, this shall be at the supplier's expense.
- (3) The supplier warrants that the goods comply with the specifications in our purchase orders (including any drawings).
- (4) The supplier shall maintain a quality assurance system which includes, in particular, the maintenance of current quality standards, regular quality inspections and an outgoing goods inspection. The supplier shall keep records thereof and hand them over to us upon request.

§ 7 Liability of the supplier for defects

- (1) We shall be entitled to the statutory claims for defects in full. In particular, we shall be entitled to demand that the supplier, at our discretion, rectify the defect or deliver a new object of performance. We expressly reserve the right to claim damages, including damages in lieu of performance, for any degree of fault in the full amount in accordance with the statutory provisions.
- (2) The period for the limitation of claims for defects shall be three years, unless longer statutory periods are relevant. The period for the limitation of claims for defects begins with the transfer of risk.

§ 8 Liability of the supplier for damages

- (1) The supplier shall be liable to us for any damage caused by the supplier or their vicarious agents to the full amount and for any degree of fault in accordance with the statutory provisions.
- (2) The risk for transport damages shall be borne by the supplier.
- (3) In the event that claims are asserted against us by third parties on the basis of product liability, the supplier shall indemnify us against third-party claims (including the costs of any necessary recall action) and reimburse us for all damages and expenses if the customer is responsible for the cause giving rise to liability.
- (4) The limitation of our claims for damages shall be governed exclusively by the statutory provisions.

§ 9 Industrial property rights

- (1) The supplier warrants that no industrial property rights of third parties are infringed in connection with the supplier's delivery.
- (2) If claims are asserted against us by third parties for this reason, the supplier shall be obliged to indemnify us against the claims of the third party upon first written request.
- (3) We shall be entitled to any industrial property rights arising in connection with the execution of the order. Should these exceptionally arise on the part of the supplier due to mandatory statutory provisions, the supplier shall permit us to use them free of charge, non-exclusively and for an unlimited period of time.

§ 10 Ownership of items

- (1) All items, such as tools, presentation pieces, sample specimens or models, which have been handed over to the supplier shall remain our property. The supplier undertakes in this respect to maintain strict secrecy and to return them immediately if we so request. The passing on to third parties or the use for own purposes (with the exception of the performance of services for us) is not permitted.
- (2) The same shall apply to items which have been manufactured in whole or in part at our expense (e.g. molds, tools, devices). These shall become our property without direct transfer of ownership upon creation at the supplier's premises. Changes to these may only be made with our written consent. The supplier shall be liable within the framework of the existing ownership relationship in the event of any damage and/or loss in accordance with the statutory provisions.

§ 11 Provision of materials

- (1) Material provided shall remain our property and shall be stored separately by the supplier and used only for our order. The supplier shall be liable for damage or loss. All parts provided shall be insured by the supplier against fire, water and theft damage.
- (2) The processing or transformation of the material shall be carried out on our behalf. We shall become the owner of the newly created items. In the event of co-processing of third-party material, we shall acquire co-ownership in accordance with the statutory provisions.

§ 12 Framework contracts, termination

- (1) We may extraordinarily terminate framework contracts between us and the supplier without notice if an application for the opening of insolvency proceedings has been filed against the assets of our customer or (preliminary) insolvency proceedings have been opened or the opening has been rejected for lack of assets.
- (2) In the event of such termination, we shall be obligated to accept and pay for the quantities of the supplier already called off beforehand and the batch sizes held by the supplier as agreed. With regard to the remaining quantities, we shall neither be liable for compensation nor for damages.

§ 13 Software

- (1) Unless otherwise agreed in an individual contract, the supplier shall grant us free-of-charge rights of use, not limited in time, to software products and the associated documentation. We shall be entitled to pass on the software to our customers.
- (2) We may make copies of the software for data backup purposes.

§ 14 Form of declarations

- (1) Legally relevant declarations and notifications which the supplier must make to us must be in writing.
- (2) This shall also apply to legally relevant declarations and notifications that the supplier must make to third parties if they are related to the contractual relationship between us and the supplier.

§ 15 Place of performance, place of jurisdiction, applicable law

- (1) The place of performance and jurisdiction for disputes with purchasers, legal entities under public law or special funds under public law is our registered head office. In addition, we are entitled to sue the supplier at their place of business.
- (2) The law of the Federal Republic of Germany shall apply; the validity of the UN Convention on Contracts for the International Sale of Goods is excluded.
- (3) Should any of the above provisions be or become invalid, this shall not affect the validity of the other provisions.