

**General Terms and Conditions of Sale and Service of
Nidec Graessner GmbH & Co. KG THE GEAR COMPANY*****§ 1 Scope of application***

1. Our General Terms and Conditions shall apply to all future deliveries of goods and services which we provide to the customer, although we have no obligation to make specific reference to this fact. We do not recognize any conflicting or deviating terms and conditions of the customer, unless we have expressly agreed to their validity in writing. This shall also apply if we deliver the goods and services without reservation in the knowledge of conflicting or deviating conditions of the customer.
2. 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 Offer and conclusion of contract

1. Our offers are subject to confirmation unless the designation "binding" is expressly attached. The customer is bound to their order for four weeks. The contract is concluded either by our written acceptance of the offer, order confirmation or with delivery of the goods.
2. The customer shall agree that we are entitled to obtain information about their creditworthiness and financial circumstances. In case of a negative creditworthiness history or information we reserve the right to deliver the goods only against payment in advance. Furthermore, if third-party financing is provided, we may request proof of financing prior to delivery.
3. Illustrations, descriptions, dimensions and quantities are only binding if this has been agreed with the customer in writing in advance. The quality of the service to be provided by us shall be determined exclusively in accordance with the written contractual documents. We reserve the right to make changes in design and material, provided that the changes are not fundamental and the contractual purpose of the delivery is not restricted for the customer.
4. All documents (e.g. illustrations, drawings, descriptions, plans) provided by us within the scope of the conclusion of the contract and the execution of the order shall remain our property (including any copyrights which are not transferred to the customer. All offer documents may not be made accessible to third parties. These documents (as well as any duplicates) shall be returned to us at our request.
5. If the customer wishes to change the contractually agreed scope of the services to be provided by us, they must express this wish for change to us in writing. The customer shall bear the costs for the expenses incurred by these changes (e.g. preparation of a change proposal, downtimes, etc.), insofar as we comply with their change request.

§ 3 Quantities and measurements, obligations to cooperate

1. With the conclusion of the contract, the customer confirms that all quantities and measurements in their orders are based on the verified data. If deviations from the information provided by the customer subsequently become apparent, any additional costs incurred as a result shall be borne by the customer.
2. The customer shall appoint a technically qualified contact person who is available to us to provide the necessary information and who makes or can immediately bring about the decisions necessary for the execution of the order.
3. The customer is entitled to create all conditions for the order to be executed properly. In particular, the customer shall ensure that all necessary cooperation on its part or on the part of its vicarious agents is provided in good time, to the extent required and free of charge for us.
4. If the execution of the order requires the modification or addition of the customer's, the customer shall provide a responsible, qualified employee in their company to carry out the change.
5. If the execution of the order requires the operation of a customer's machine, the customer shall provide responsible, qualified operating personnel from their company.
6. The customer shall provide us with the customer-specific documents and other necessary internal company information required for the execution of the order, even without a special request.
7. The customer shall be liable for delays or errors in the execution of the order if these result from performance data submitted by the customer, incorrect or incomplete information or other circumstances for which the customer is responsible.

§ 4 Prices, terms of payment

1. Unless otherwise agreed, our prices shall apply "ex works", excluding loading and packaging; these costs shall be invoiced separately.
2. The statutory sales tax is not included in our prices; it will be shown separately in the invoice at the statutory rate on the day of invoicing.
3. The deduction of discount requires special written agreement.
4. Unless otherwise agreed, the purchase price (without deduction) is due for payment within 30 days from the date of invoice. The statutory regulations concerning the consequences of default in payment shall apply.

§ 5 Delivery time, deadlines, partial deliveries

1. Binding delivery times and dates require our written confirmation, which can also be issued by fax or e-mail. The periods shall commence upon receipt of the confirmation by the customer and shall be understood for the time of delivery ex works in the case of purchase contracts and for the time of completion in the case of contracts for work and services. The start of the specified time period is subject to the clarification of all technical issues, the timely fulfilment of the customer's obligations and the availability of the documents and permits to be provided by the customer. Any changes in the execution requested by the customer after the conclusion of the contract shall extend the delivery periods and deadlines accordingly. We reserve the right to plead non-performance of the contract.
2. Unforeseen events for which we are not responsible (in particular strike, force majeure and late delivery to us) shall extend the agreed delivery periods and dates for the duration of the delay plus a reasonable start-up period. The customer shall be informed of these circumstances without delay; should the delay last longer than three months, the customer shall be entitled, after setting a reasonable grace period, to withdraw from the contract insofar as it has not yet been performed. We shall also be entitled to this right, whereby the setting of a grace period shall not be required in this case.
3. If we are released from our performance obligation pursuant to the preceding paragraph or if the delivery deadline or the agreed release date is extended, the customer shall have no claims for damages.
4. Unless otherwise agreed by contract, partial deliveries by us shall be permissible, as shall deliveries before the expiry of the agreed delivery period.
5. For custom-made products we reserve the right to under- or overrun the order quantity by 10%.
6. In the absence of other agreements, call orders agreed with the customer shall be processed by the customer by means of call orders within twelve months at the latest. If this is not done, we shall be entitled to pass on to the customer any price increases that have occurred in the meantime.
7. If the customer is in default of acceptance or culpably violates other obligations to cooperate, we shall be entitled to demand compensation for the damage incurred by us in this respect, including any additional expenses. Further claims or rights remain reserved. The risk of accidental loss or accidental deterioration of the goods shall pass to the customer at the time the customer is in default of acceptance or debtor's delay.
8. We shall be liable in accordance with the statutory provisions insofar as the underlying contract is a transaction for delivery by a fixed date within the meaning of Section 286 (2) No. 4 of the German Civil Code (BGB) or Section 376 of the German Commercial Code (HGB). We shall also be liable in accordance with the statutory provisions if, as a consequence of a delay in delivery for which we are responsible, the customer is entitled to claim that its interest in the further performance of the contract has ceased to exist.
9. Furthermore, we shall be liable in accordance with the statutory provisions if the delay in delivery is due to an intentional or grossly negligent breach of contract for which we are responsible; fault on the part of our representatives or vicarious agents shall be attributed to us. If the delay in delivery is due to a grossly negligent breach of contract for which we are responsible, our liability for damages shall be limited to the foreseeable, typically occurring damage.
10. We shall also be liable in accordance with the statutory provisions insofar as the delay in delivery for which we are responsible is based on the culpable breach of a material contractual obligation; in this case, however, the liability for damages shall be limited to the foreseeable, typically occurring damage.
11. We do not accept contractual penalties and lump-sum compensation for delay from the customer.

§ 6 Transfer of risk

1. Unless otherwise agreed, delivery is agreed "ex works". The risk shall pass to the customer in all cases - including the risk of seizure - even in the case of carriage-paid delivery, when the delivery item is handed over to the transport person. This also applies if we transport the goods ourselves. If the dispatch is delayed for

- reasons that lie within the responsibility of the customer, the risk is already transferred to the customer when the customer is notified that the goods are ready for dispatch.
2. In the absence of any agreement to the contrary, we shall determine the type of packaging and shipping. We will cover the delivery by transport insurance at the expense of the customer if this is requested by the customer in writing.
 3. In the case of work performed at the factory, the risk shall pass to the customer upon acceptance by the customer.

§ 7 Retention of title

1. The goods shall remain our property until all claims to which we are entitled from the business relationship with the customer have been fulfilled. In case of breach of contract by the customer, in particular in case of default of payment, we shall be entitled to take back the goods, which shall constitute a rescission of the contract.
2. In the event of seizures or other interventions by third parties, the customer shall notify us in writing without delay so that we can file a third-party action in accordance with § 771 of the German Code of Civil Procedure (ZPO).
3. The customer may only resell the goods subject to retention of title in the ordinary course of business and as long as the customer is not in default towards us; however, the customer already now assigns to us all claims in the amount of the final invoice (plus VAT) which accrue to them from the resale against customers or third parties, irrespective of whether the goods have been resold without or after processing. The customer shall remain authorized to enforce such claims even after they have been assigned. Our authorization to enforce such claims remains unaffected by this. However, we undertake not to do so as long as the customer meets its payment obligations from the proceeds collected, is not in default of payment and no application for the opening of insolvency proceedings has been filed or payments have not been suspended. If this is the case, however, we may demand that the customer informs us of the assigned claims and the debtors, provides all information required for collection, hands over the relevant documents and informs the debtors (third parties) of the assignment.
4. The processing or transformation of the goods by the customer is always carried out for us. If the goods are processed with other items not belonging to us, we shall acquire co-ownership of the new item in the ratio of the value of the goods (final invoice amount plus VAT) to the other processed items at the time of processing. The same shall apply to the item created by processing as to the goods delivered under reservation of title.
5. If the goods are inseparably mixed with other objects not belonging to us, we shall acquire co-ownership of the new object in the ratio of the value of the goods to the other mixed objects at the time of mixing. If the goods are mixed in such a way that the customer's item is to be regarded as the main item, it shall be deemed to be agreed that the customer transfers co-ownership to us on a pro rata basis. The customer shall retain the sole ownership or co-ownership thus arising on our behalf.
6. In order to secure our receivables against the customer, the customer also assigns those outstanding debits accruing to them against a third person due to the connection of the purchase item with property.
7. We undertake to release the securities to which we are entitled at the customer's request insofar as the realizable value of our security exceeds the claims to be secured by more than 20 %; the choice of the securities to be released is incumbent on us.

§ 8 Liability for defects, compensation

1. Claims for defects on the part of the customer presuppose that the customer has properly fulfilled its obligations to inspect the goods and give notice of defects in accordance with § 377 of the German Commercial Code (HGB).
2. We do not provide any warranty for used goods, unless we are liable for fraudulent intent or according to the following paragraph (6). In the case of new goods, the customer shall initially be limited to claiming supplementary performance in the event of a material defect, whereby we reserve the right to choose the type of supplementary performance. The customer shall have the right to reduce the purchase price or to withdraw from the contract at their discretion in the event of failure of subsequent performance.
3. We shall be entitled to refuse subsequent performance if it is associated with disproportionate costs for us. Instead of subsequent performance, the buyer may then demand a reduction of the agreed price or rescission of the contract.
4. We shall be liable in accordance with the statutory provisions insofar as the customer asserts claims for damages based on intent or gross negligence on our part, on the part of our representatives or vicarious

- agents. As far as there is no intentional breach of contract, the liability for damages is limited to the foreseeable, typically occurring damage.
5. We shall be liable in accordance with the statutory provisions insofar as we, our representatives or vicarious agents culpably breach a material contractual obligation; however, even in this case, liability for damages shall be limited to the foreseeable, typically occurring damage. Material contractual obligations are those which arise from the nature of the respective contract and the breach of which jeopardizes the fulfilment of the purpose of the contract.
 6. Liability for culpable injury to life, limb or health shall remain unaffected; this shall also apply to mandatory liability under the Product Liability Act.
 7. Unless otherwise stipulated above, liability is excluded.
 8. The limitation period for claims for defects is 12 months, calculated from the transfer of risk. The statutory limitation period in the case of a delivery recourse according to §§ 445a, 445b, 478 of the German Civil Code (BGB) and in the cases of §§ 438 para. (1) No. 2, 634a para. (1) No. 2 of the German Civil Code (BGB) shall remain unaffected. This shall also apply in the cases of the above paragraphs (4) to (6).
 9. Any further liability for damages than provided for in the above paragraphs shall be excluded, irrespective of the legal nature of the asserted claim. This applies in particular to claims for damages arising from culpa in contrahendo, from other breaches of duty or from tortious claims for compensation for property damage pursuant to Section 823 of the German Civil Code (BGB). This limitation shall also apply insofar as the customer demands reimbursement of useless expenses instead of a claim for damages in lieu of performance. Insofar as our liability for damages is excluded or limited, this shall also apply with regard to the personal liability for damages of our employees, representatives and vicarious agents.
 10. In the event that claims are asserted against us by third parties on the basis of product liability, the customer 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.
 11. Damage resulting from the following causes and for which we are not responsible in the absence of a breach of duty shall not give rise to any claims for liability for defects:
Unsuitable or improper use after the transfer of risk, in particular excessive stress, incorrect storage, faulty assembly or commissioning by the purchaser or third parties, natural wear and tear, faulty or negligent treatment, unsuitable operating materials, replacement materials, defective construction work, failure to observe operating instructions commissioning by the purchaser or third parties, natural wear and tear, faulty or negligent handling, unsuitable operating materials, replacement materials, defective construction work, failure to observe the operating instructions (in particular failure to observe the recommended oil changes), unsuitable operating conditions, in particular in the event of unfavorable chemical, physical, electromagnetic, electrochemical or electrical influences, weather or natural influences or ambient temperatures that are too high or too low. Gear unit orders with "easy ride" gearing are also excluded from warranty claims.
If the purchaser or third parties carry out improper modifications or repair work, there shall be no liability for defects for these and the resulting consequences.
 12. If we provide services within the scope of new developments (e.g. by providing materials, engineering or other services), it must be possible for us to test and approve the new developments before they are used and/or placed on the market (e.g. after a prior test run on our testing machines, or by other joint verification methods). If the customer does not allow us to carry out the testing, we shall not be responsible and liable for defects and damage unless these fall within our area of responsibility and could not have been detected even during testing prior to their use and/or placing on the market.

§ 9 Software, liability for data loss

1. Insofar as we are liable to pay damages pursuant to § 8 above, our liability for loss of data shall be limited to the typical recovery that would have been incurred if backup copies of all data, structures and programs had been made regularly and completely.
2. If the use of third-party software products is included in our scope of services, the customer already now acknowledges the terms of use/license of the rights holder to such software. These will be made available to the customer by us upon request. We are not responsible for malfunctions related to or associated with the operating system environments and configurations installed at the customer's site. Our liability is also excluded in the event of incompatibility of the software program with the customer's hardware and/or software, unless we have provided consulting services in this regard in accordance with a written agreement.

§ 10 Liability for objects of the customer, adjustment parts, rejects

1. If we process the customer's objects, the customer must provide us with the necessary gear data and the special equipment and devices for this purpose.
2. Before each new production series, the customer provides us with a sufficient number of adjustment parts to adjust the machine for achieving optimum product quality. Unless otherwise contractually agreed, 25 parts are used as adjustment parts. If the adjustment parts are unsuccessful and can therefore no longer be used, we shall not be liable to pay any compensation unless we can be accused of gross negligence or intentional conduct.
3. With the start of series production (after completion of the adjustment phase in accordance with No. 2 above), we shall not be obliged to pay any compensation for parts of the customer which can no longer be used (rejects) within the scope of a defect rate of 5% of the total quantity to be delivered by us in accordance with the order, unless we can be accused of gross negligence or intentional conduct.
4. In addition, we shall be liable for damage to parts of the customer to a maximum of the net order value that is specifically attributable to the respective damaged part of the customer, unless we can be accused of gross negligence or intentional conduct. The customer is therefore recommended to take out separate insurance for valuable items.

§ 11 Assignment, set-off, retention

1. The customer is not entitled to assign claims or rights against us arising from the business relationship to third parties or to transfer them to third parties without our consent. The same shall apply to claims and rights arising directly against us by operation of law.
2. The customer shall only be entitled to set-off rights if their counterclaims have been legally established, are undisputed or have been acknowledged by us.
3. The customer shall only be entitled to exercise a right of retention if the counterclaim is based on the same contractual relationship.

§ 12 Contracting out to third parties

1. We are also entitled, without prior consent of the customer, to pass on the order or parts of the order to third parties.
2. In such cases, we shall be liable for the third party as for our own vicarious agent.

§ 13 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 customer 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.

§ 14 Miscellaneous

1. The buyer's data will be processed with the help of automated systems for the purpose of processing the contract and, if necessary, transmitted to third parties who have a business relationship with Nidec Graessner. The buyer hereby declares their consent to this. Nidec Graessner will process data in accordance with the provisions of the Data Protection Act.
2. Due to the current raw material situation (shortage of material) on the world market, the dates and prices given by us are not binding. Should there be problems in the material chain due to events beyond our control, we are entitled to adjust the dates and prices accordingly. Claims for damages due to delays in delivery cannot be asserted from this.