

General Terms of Sale, Delivery and Payment

This is an English translation of the original German document. The German version is the legally binding document.

1. General Scope

All orders that we take for delivery and ancillary services will be accepted and processed only under the terms of delivery and payment that apply to ourselves. The same also applies to future business, even when these terms are not expressly agreed. The general terms of business of a Customer are not binding upon us, even if we have not expressly stated our objection to these terms upon or after concluding a Contract.

Verbal supplementary agreements must have our written confirmation to be enforceable.

2. Offers and Signing of Contracts

a) All offers provided by us are non-binding. All information, descriptions or illustrations in prospectuses, brochures, advertisements, catalogues, price lists or other materials that we may provide, or electronically transmitted data, constitute non-binding information on materials, workmanship, properties or suitability and do not in any way constitute a part of a contract, guarantee of a product property or warranty provision on our part. We reserve the right to make changes at any time, as permitted by law. The Purchaser is to take responsibility for checking that all information provided is suitable for his/her purposes.

If any product or product components are delivered to the Purchaser by one of our employees before and/or upon signing of a contract, this shall be solely for advertising or demonstration purposes with regard to the functional capabilities of the product/product components. This delivery does not constitute delivery of a specimen. The aforementioned provisions shall be waived only in cases in which a purchase is made according to a specimen, as expressly stipulated in an individual contact.

b) For our purposes, an order placed by a Customer is effective as an offer.

c) Orders and any changes or additions thereto are only binding when confirmed by us in writing. Specifications of products and/or services are only binding when expressly agreed in writing.

d) When offering from stock held, we reserve the right to provide immediate delivery to third parties.

e) If there is reasonable doubt of creditworthiness or a filing of insolvency proceedings involving the assets of the Customer, in the event of assignment as security of his/her claims against us, upon

indications of cessation of business activity or upon breach of obligations towards us, we are entitled without prejudice to other rights, even after concluding of the Contract, to withhold our deliveries, to make our deliveries contingent upon advance payment or settlement of any and all outstanding claims, or to withdraw from the Contract.

f) The Purchaser, if entitled to no legal right of withholding or withdrawal, may withhold his/her payments or withdraw from the Contract only with our written approval and in each such case only if her/she from every point of view ensures we end up in the position we would be in had we executed the Contract and in particular compensates us for any loss or expenses arising from his/her action.

g) To the extent that permissions, licences, approvals or other documents are required for offers, concluding of contracts or deliveries, the Purchaser is responsible for the provision or obtaining of these documents without exception, without giving rise to any responsibility or obligation upon us to cooperate for this purpose.

h) Export and trade controls: Certain products are designated "dual use" articles and are therefore subject to trade and export restrictions and controls as may apply in some countries. The Customer takes responsibility to determine the circumstances in which the trade and export restrictions may apply and when necessary to apply for the requisite licences and official approvals.

3. Prices:

a) Price lists do not constitute an offer. Prices are non-binding. As a fundamental rule, billing applies the prices valid on the day of delivery, plus any Value Added Tax or other taxes due upon payment by the Purchaser, as required by law.

b) Unless expressly agreed otherwise, the prices and terms of delivery are ex works (Incoterms 2010).

4. Delivery

a) We provide only non-binding confirmation of delivery times. These times commence from the day of our confirmation. This is subject, however, to prior agreement on fulfilment of all the relevant details of the order.

b) Delivery is subject to the correct, complete and timely delivery to us of the goods or the raw materials essential to their production.

Delivery times shall be extended as appropriate in the event of

unforeseen circumstances, such as force majeure, import and/or export prohibitions and other governmental actions, transport delays, work stoppages or labour strikes/lockouts in own factories or at suppliers with the addition of reasonable time to restore ordinary conduct of business, provided that the service or delivery is not now impossible.

c) Delivery times are regarded as met when the goods have left our warehouse before their expiration or the Purchaser or his/her agent has indicated to us the readiness of the goods for delivery.

d) If the Purchaser sustains losses from any delay in delivery on our part and a claim on us arises under the provisions of Number 7, he/she is entitled to claim, subject to exclusion of any further claim, a maximum of 0.5% compensation for each full week of delay, up to a maximum of 5% of the value of the corresponding part of the total delivery that cannot be used or processed promptly or according to the contract.

e) Partial deliveries are permitted and are entitled to separate invoicing. A separate Contract is deemed to be concluded for partial delivery if without a contract for the entire delivery it would be cancelled.

f) In the case of successive delivery contracts, we may set a reasonable notice period for request or acceptance of partial delivery. After this period, we are entitled to withdraw from the entire contract, make claims for losses from non-performance of the rest of the contract or otherwise dispose of the goods.

g) Insofar as the goods are produced specifically for the Purchaser, we reserve the right to deliver 10% over or under the ordered quantity. This right does not preclude us from offering or delivering the same or similar goods to other Customers.

h) A call-off order shall be established only with our written confirmation with a maximum duration of 12 months from the date of our confirmation. If a remaining quantity remains undelivered after 12 months, we reserve the right to deliver this quantity to the Purchaser even without any prior arrangement. In all cases, any or all outstanding purchase price or residual purchase price shall become immediately due and payable after expiration of the 12 month period.

i) In cases of bearings or parts of bearings that require customisation, we reserve the right to an appropriate level of

excess or shortfall in delivery.

5. Shipping

The costs and risks of shipping shall be borne by the Buyer.

6. Warranty

a) We provide a warranty for our own manufactured products against defects in materials and workmanship. This warranty is valid for twelve months, commencing from the delivery date.

b) The Purchaser must check the received goods immediately upon delivery. Any defects identifiable through diligent examination shall place us under an obligation only if a written complaint is made within seven days of receipt of the goods. In the case of hidden defects, the complaint period shall commence with the discovery of the defect and end no later than the expiration of the warranty period stipulated in 6.1.

Damage during transportation and any associated defects in the delivered goods may only be recognised if the Purchaser retains the packaging material for clarification of the cause of damage and makes this material available to us on demand.

c) In the event of a notification from the Purchaser stating that the product is defective, we may repair or replace the faulty product or part of the product at our own discretion. Parts or products received in exchange shall become our property.

If the fault is not rectified within a reasonable time, the Purchaser, to the extent permitted by law, may opt for a reduction in price or to withdraw from the Contract.

d) The warranty shall be void if we determine that the alleged fault can be traced to the result of improper application, use, installation, whether in whole or in part, or the result of actions or circumstances that are unforeseeable or not envisaged with the context of proper use, in particular any unauthorised intervention or changes by the Purchaser or production targets originating from the Purchaser.

e) Any assurance of the properties of a product shall be made by us only in writing.

Images and information presented in our quotations, offers, price lists and prospectuses, in particular weights and dimensions, in addition to other technical data and those related to accepted DIN and VDE and other standards or samples, if issued without any express, additional conformation, constitute no guarantee as to the product properties concerned, and serve only for labelling of the goods.

f) In the event of deficiencies in guaranteed product properties, we may be required to provide compensation for consequential losses only when we have guaranteed the Purchaser against such damages on an individual basis. No claim to compensation for consequential damages arising from defects caused by positive breach of contract shall be entertained whatsoever.

g) The foregoing provisions shall apply only to complaints involving weight, quantity of items or packaging.

h) Any complaint regarding partial performance shall give rise only to entitlement to cancellation of the remaining delivery (total delivery).

7. General Limitation of Liability

a) Claims of liability against us for any damages caused neither by deliberate action nor gross negligence on our part, nor by deliberate action or gross negligence of a legal representative or agent of ourselves are excluded. Third party claims of liability arising from loss of life or bodily injury or adverse effects on health are excluded from this provision.

b) This also applies to claims in place of performance (non-performance), however only to the extent that if any claim is made for indirect or consequential damages, the liability is based on a guarantee obtained by the Purchaser against the risk of such losses. Any liability is restricted to foreseeable losses upon signing of the contract. In all events, our potential liability under the Product Liability Law and other claims arising from product liability remain unaffected.

c) Our advice and recommendations are non-binding, although made in good faith and in keeping with the current state of art. In the absence of written confirmation, we assume no responsibility, and in particular no obligation to compensate for losses. The same applies likewise to other representations by our employees or agents concerning matters beyond the written content of the Contract.

8. Payment

a) For Customers with a business domicile in a member state of the European Community:

Our invoices are payable within 30 days net. For Customers with a business domicile in another state:

Subject to other agreement in individual cases, payment must be made as an advance payment immediately upon our confirmation of order or by provision of an irrevocable letter

of credit issued by a bank approved by the officials of a member state of the European Community as surety for taxes and customs at one of our designated banks.

b) Payment for goods by bill of exchange requires a separate agreement and shall be performed only on a settlement basis.

c) A payment is deemed to be received only when it is irrevocably credited to our bank account.

d) In the event of delay in payment obligations, institution of instalment payments or default by the Purchaser, we shall charge interest at a rate of 5% above the base rate of interest as a lump sum compensation for losses incurred.

e) If the Purchaser defaults on a payment obligation or an instalment payment, all claims shall become immediately due and payable.

f) The Purchaser may offset claims by applying only undisputed, legally determined receivables against ourselves.

9. Retention of Ownership

a) Pending the settlement of all claims (including all claims on current account balances) that may be incurred now or in the future against the Purchaser for any legal reason, the following security will be maintained for us which the Purchaser will relinquish on demand at his/her option, insofar as the value of the security exceeds 20% of the claims for more than a temporary period.

i) The goods shall be retained as our property. Any working or transformation shall be performed by us as the manufacturer, although we are under no obligation to do so. If our (co-)ownership is dissolved by reason of attachment, it is hereby agreed that the (co-)ownership of the Purchaser of the entire item will be transferred to us on a proportional basis (invoicing value). The Purchaser shall maintain our (co-)ownership without financial compensation. Goods subject to our (co-)ownership are hereafter referred to as retained goods.

ii) The Purchaser is entitled to process and sell the retained goods in the ordinary course of business as long as he/she is not in default. Any pledges or assignments shall not be permitted. Ordinary course of business does not include the sale, processing or transformation of retained goods after the launching of insolvency proceedings involving the assets of the Purchaser. Claims arising

from subsequent sale or other legal grounds (insurance, improper handling) in respect of the retained goods (including any claim on current account balances) shall be assigned to us by the Purchaser in full. We irrevocably authorise the Purchaser to collect claims assigned to us in our own name. This authorisation for collection may only be revoked if the Purchaser fails to make prompt settlement of his/her payment obligations.

b) In the event of confiscation of retained goods by a third party, and in particular assignment as security for claims, the Purchaser shall provide notification concerning our ownership and inform us immediately so that we can enforce our ownership rights. To the extent that the third party is not in a position to reimburse court costs or costs incurred out of court in such events, the Purchaser assumes liability for these costs.

c) In the event of breach of contract by the Purchaser - in particular non-payment - we reserve the right to repossess the retained goods or if necessary demand cession of claims held by the Purchaser against third parties. Any action by us to repossess retained goods or to be assigned these goods as security shall not constitute withdrawal from the Contract.

d) In the event of insolvency, we are entitled to demand the return of goods delivered under retention of ownership insofar as the insolvency administrator has not exercised his/her right of option or refuses to fulfill the Contract.

10. Intellectual Property Rights

a) Intellectual property rights of any kind, irrespective whether they are registered, may be or cannot be registered, in particular patents, trade marks, test or flavour samples and also rights to electronic data remain with ourselves. Unless agreed in writing to the contrary, the Purchaser acquires no right of use, and in particular no right for further development or production of the goods.

b) Insofar as the goods are customised for the Purchaser, the Purchaser is required to indemnify us against any claims by third parties, whether potential or actual, that we may face in regard to the requirements of the Purchaser, irrespective of whether our claim arises from a third party industrial property right or other cause.

c) Delivery is subject to the applicable rate of Value Added Tax prescribed in law.

11. Place of Delivery, Court of Jurisdiction

The place of delivery for our deliveries is our delivery location. The place of delivery for all obligations of the Customer is Ratingen.

The court of jurisdiction for all disputes and for processing of deeds, bills of exchange and cheques is Düsseldorf.

In all legal dealings, the laws of the Federal Republic of Germany shall apply to the exclusion of the UN Convention on International Sale of Goods (CISG).

12. Concluding Provisions

a) All rights due to us under this Contract or these terms may be exercised by us irrespective of the other rights. The exercise or non-exercise of a right shall not in any way preclude our exercise of other rights or benefiting from other opportunities..

b) The Purchaser may assign or transfer rights to the contractual relationship to a third party only with our approval.

c) If any provision in these terms of business or any determination within the framework of a specially negotiated arrangement proves to be or will become unenforceable, the enforceability of all other provisions or agreements shall not be impaired. In such cases, the Parties undertake to reach a mutual agreement to substitute the invalid provision with one having the nearest possible economic purpose and outcome.