

RENOLD GmbH ("RENOLD") (Registered HRB no. 130985)  
TERMS AND CONDITIONS OF SALE OF GOODS AND SERVICES

## 1 General

- 1.1 Unless otherwise expressly agreed in writing by Renold, in relation to the goods (or every installment or part of them) ("Goods") or services ("Services") the subject of a contract between Renold and the buyer ("Contract"), every sale of Goods by Renold to the buyer and/or refurbishment of Goods (whether manufactured or supplied by Renold or not), servicing of Goods, giving advice as to which type of Goods are required for a particular function, installation of Goods, site surveys, commissioning and training of the buyer's employees, agents and subcontractors or any other service rendered to the buyer by Renold will be subject to the conditions stated herein ("Conditions") to the exclusion of any other terms including any terms or conditions which the buyer purports to apply under any purchase order, confirmation of order, specification, letter or other document.
- 1.2 No officer, employee or agent of Renold has authority to contract on any conditions other than these Conditions nor to amend, vary or waive these Conditions or to make any binding representation or warranty in respect of the Goods and/or Services otherwise than in writing with the express authority of Renold.
- 1.3 Renold's quotations do not constitute an offer. Orders placed with Renold will not be binding on Renold or deemed accepted by it unless and until Renold accepts the order in writing or there is implied acceptance on the part of Renold by its fulfillment of the order.
- 1.4 Unless earlier withdrawn or unless the quotations otherwise state, quotations are open for the period of 30 days from the date of the quotation.

## 2 Description of Goods and/or Services

Except as otherwise stated in these Conditions or in Renold's order acknowledgement, all drawings, designs, descriptive matters, samples, specifications, catalogues, brochures, photographs, technical literature and advertising matter are non-binding and published or issued for the sole purpose of giving an approximate idea of the Goods or Services described in them. Renold reserves the right to make such reasonable modifications in specifications, descriptions, designs, materials or finishes as it deems necessary or desirable.

## 3 Use of the Goods

- 3.1 Subject as provided in these Conditions, if under any applicable law or other government regulation of Germany or any other country to which Goods are delivered, a competent authority declares that the Goods are unsafe or a risk to health in any respect, the buyer will notify Renold immediately and Renold will, at the buyer's expense, make such modification to the Goods or supply such additional or replacement parts for the Goods as such authority considers necessary to ensure that the Goods comply with any necessary requirements.
- 3.2 Renold will not in any circumstances whatsoever be liable for any claims, demands, damages, penalties, costs or expenses of any nature whatsoever, which the buyer may incur on account of the buyer's non-compliance with instructions provided by Renold or other misuse of the Goods and the buyer will indemnify Renold against all such claims, demands, damages, penalties, costs or expenses of any nature whatsoever which may have been suffered by any third parties as a result of buyer's non-compliance with such instructions or misuse of the Goods.

## 4 Price

- 4.1 Subject to Condition 4.3, the price for each consignment of Goods will be the price quoted to the buyer by Renold, or in the absence of any such quotation, Renold's list price published or notified on the date on which the consignment is dispatched to the buyer and the price for Services will be Renold's price stated on the date on which the Services are carried out.
- 4.2 Unless otherwise agreed in writing by Renold, all prices quoted are exclusive of any taxes and charges such as Value Added Tax, insurance, carriage and delivery charges.
- 4.3 Renold will be entitled to:
  - 4.3.1 charge a premium for Goods which, on request of the buyer, Renold delivers before their ordinary delivery date; and/or
  - 4.3.2 adjust the price to reflect significant increases or decreases in Renold's costs including in the cost of raw materials used in the production of the Goods, variations in wages, exchange rate fluctuations and other costs not influenced by Renold incurred since the date of Renold's quotation or the buyer's order. Renold will take into account the buyer's legitimate interests when deciding on a price adjustment on these grounds, and will not increase its profit margin when adjusting the price.

## 5 Payment

- 5.1 Unless otherwise agreed by Renold in writing, the price for the Goods and/or Services and any other charges payable will be due in the case of Goods when Renold accepts the buyer's order and in the case of Services when such Services are supplied.
- 5.2 Where Goods and/or Services are supplied to the buyer on credit, the buyer shall pay for the Goods and/or Services no later than the 20th day of the month following the month of invoice.
- 5.3 The buyer will not be entitled to any deductions, discounts or rebates for prompt or early payment.
- 5.4 Time for payment is of the essence of the Contract.
- 5.5 Interest will be charged by Renold at 8 percentage points over the basic rate of interest on all sums overdue for payment whether before or after any judgment. Nothing in this Condition prevents Renold from claiming a higher loss caused by the delay in payment.
- 5.6 The buyer will pay the price of the Goods and/or Services (including any increased price payable under these Conditions) and all charges due hereunder without any deduction whether by way of discount, abatement, set-off, counterclaim or otherwise. The buyer has the right, though, to set off claims which are uncontested or have been finally established by judgment.
- 5.7 If the buyer fails to make any payment when it is due, Renold may without prejudice to any other remedy it may have:
  - 5.7.1 suspend work on, and withhold delivery of Goods and/or performance of Services under any Contract at that time until payment in full is made; and
  - 5.7.2 if payment remains outstanding for more than 7 days after Renold has issued an overdue notice to the buyer, or for more than the period for payment specified therein, cancel any such Contract by written notice to the buyer. Renold does not have to issue an overdue notice if (a) the buyer seriously and definitively refuses payment, or (b) there are special circumstances which, when the interests of both parties are weighed, justify immediate revocation.

## 6 Delivery of Goods and/or performance of Services

- 6.1 Unless otherwise agreed by Renold in writing, delivery of the Goods will take

place at Renold's premises.

- 6.2 Where, by agreement, the Goods are to be delivered to the buyer's premises and where the transport is to be effected by a carrier or by Renold, the buyer will be responsible for the delivery charges and the risk will pass to the buyer when the Goods are handed over to the carrier or to personnel of Renold effecting the transport. Renold will not be liable in respect of any damage in transit howsoever caused (except willful acts) unless notice in writing is given to the carrier and to Renold without undue delay, by the latest within 7 working days after receiving the Goods (or in the case of non-delivery, within 7 working days of the date when the Goods would in the ordinary course of events have been received), whichever is the earlier.
- 6.3 For any damage in transit for which Renold is held liable or for non-deliveries, Renold's liability will, except in cases of willful acts, only be to replace the Goods within a reasonable time subject, in the case of damaged Goods, to the Goods being returned to Renold immediately.
- 6.4 Unless otherwise expressly agreed, times or dates quoted by Renold for dispatch of Goods and/or completion of Services are given in good faith but are intended as an approximate estimate only and time of delivery is not of the essence of the Contract.
- 6.5 If for any reason the buyer fails to accept delivery of the Goods Renold will be entitled to charge the usual costs of storage at the place of storage. If the buyer fails to accept delivery of the Goods without legal reason for refusing such acceptance, Renold will also be entitled to cancel the Contract.
- 6.6 Where the buyer requests extra or special packing, Renold will be entitled to charge the full cost of the same to the buyer. Any such packing will be at the buyer's own risk and no warranty is given as to the suitability or fitness or otherwise of such packing for its purpose.
- 6.7 The buyer will at its own cost, unless otherwise agreed in writing, supply all machinery, equipment and labour, lay on all services and make all other preparations as are necessary for the off-loading, commissioning and/or testing, installation and proper working delivery of the Goods and/or supply of the Services at the buyer's premises.
- 6.8 Goods supplied in accordance with the Contract cannot be returned without Renold's prior written authorisation. Duly authorised returns will be sent to such address as Renold directs.

## 7 Title and Risk

- 7.1 All deliveries of Renold take place subject to retention of title in accordance with statutory regulations with the following additions:
  - 7.1.1 All delivered Goods remain in the ownership of Renold (Retained Goods) until satisfaction of all current and future claims of Renold against the buyer on the basis of the business relationship - irrespective of their legal basis. This shall also apply in the event that the Buyer has paid the purchase price for specifically designated deliveries of Goods.
  - 7.1.2 The buyer will store the Retained Goods in such a way that they are identifiable as the property of Renold and are separate from all other Goods in the possession of the buyer. It will keep them insured on Renold's behalf for their full price against all risks to the reasonable satisfaction of Renold. On request, the buyer will promptly provide a copy of the policy of insurance to Renold.
- 7.2 Notwithstanding Condition 7.1.2, the buyer is entitled to resell the Retained Goods in the ordinary course of business. The Retained Goods must not be pledged or assigned by way of security. If a third party intends to seize the Retained Goods, the buyer will advise the third party of Renold's title and inform Renold immediately.
- 7.3 If the Retained Goods are combined or intermixed with or integrated into other goods to which Renold holds no title, Renold will become proportionate joint owner of the totality of such goods in relation of the invoice value of the Retained Goods to the other goods. Any processing or conversion of the Retained Goods by the buyer will always be undertaken for Renold, as manufacturer, without this obliging Renold in any manner. Renold will become joint owner of any processed or converted goods in the sense of the aforesaid Conditions.
- 7.4 The buyer hereby assigns to Renold all receivables in the final invoice amount (including VAT) which accrue to the buyer from the resale of the Retained Goods, irrespective of whether the Retained Goods have been resold without or after being intermixed, integrated, combined, processed or converted. Renold already accepts such assignment. The buyer remains entitled to collect the receivables even after such assignment. The authority of Renold to collect a receivable itself shall remain unaffected by this. Renold agrees, however, not to collect a receivable as long as the buyer meets its payment obligations, is not in default of payment and in particular no application for the opening of insolvency proceedings has been filed or payment has been discontinued. If this is the case Renold can then demand that the buyer discloses the assigned receivables and their (third party) debtors to Renold, provides all information required for collection, hands over the associated documents and informs the third party debtors of the assignment. Renold is entitled at any time to disclose the assignment of the claim.
- 7.5 If Renold is, in accordance with these Conditions or statutory provisions, entitled to cancel a Contract and exercises this right, Renold is also entitled to retrieve the Retained Goods, even by entering the premises of the buyer.
- 7.6 The buyer agrees that if and as soon as it defaults on any payment it will send to Renold at its request without undue delay a list of the Retained Goods still in its possession, also if such have been integrated into or combined or mixed with other objects, or processed or converted, and a list of the receivables assigned in advance in accordance with Condition 7.4, which are due from third parties including copies of invoices.
- 7.7 Renold agrees at the request of the buyer to release security to which it is entitled to the extent that the realizable value of security exceeds the receivables to be secured by more than 20%; the selection of the security to be released is incumbent on Renold.

## 8 Damages or Defects

- 8.1 Subject to Condition 19.3, Renold warrants that subject to the normal limits of industrial quality, the Goods will at the time of dispatch be reasonably fit for the purpose for which the buyer has given written details (if any) to Renold prior to the Contract and be of satisfactory quality and, subject to Condition 2, correspond with the description to which they are sold. If any Goods do not conform to the warranty under this Condition 8.1, Renold will, at its option, repair or replace the Goods. The buyer will be responsible for the cost and expense of re-delivering the same or repairing the defective goods to the extent that those costs increase because the buyer has delivered the Goods to a place other than its own premises.
- 8.2 The buyer may set a reasonable period of at least two (2) weeks for Renold to effect the new delivery or repair and, if the new delivery or repair has failed during such period, may demand reduction of the price or, unless the defect is insignificant, withdraw from the Contract, each after expiry of the period.
- 8.3 In the case of Services, Renold warrants that the Services will be carried out with reasonable skill and care.
- 8.4 Rights and claims based on defects of quality will become time-barred twelve

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months after delivery, except in the case of intent.

- 8.5 However, damage claims based on defects of quality will become time-barred after expiry of the statutory period if they result from the violation of another's life, body or health or from gross negligence.
- 8.6 Renold is not liable for usual wear and tear, material provided or processing made by the buyer, damage resulting from improper storage, installation or operation, or from insufficient maintenance, or for damage resulting from a modification or repair not authorized by Renold in writing.
- 8.7 With respect to goods or services which Renold receives from a third party for resale to the buyer, Renold assigns all warranty rights against such third party to the buyer. Claims can be advanced against Renold only if they have first been asserted against the third party without success.
- 8.8 Nothing in this Condition will change the buyer's statutory obligations arising under Sec. 377 HGB to examine the Goods upon receiving and to notify defects to Renold without undue delay upon discovery, either in the course of this examination or later on.
- 8.9 Renold will be liable to the buyer only for damage caused with intent or gross negligence. In the event of a breach of material obligations, Renold shall, however, be liable for each fault of its personnel (statutory representatives, executive employees and other vicarious agents) causing damage.
- 8.10 Except in case of intentional causation of damage, Renold's liability shall be limited, in each case, in terms of amount to the damage which is typically foreseeable at the time of conclusion of the contract. In cases of doubt, the amount of the typically foreseeable damage shall be limited to the value of the Goods and/or Services under the Contract.
- 8.11 Claims to damages which result from the violation of another's life, body or health, as well as damage claims under the Product Liability Act shall remain unaffected.
- 8.12 Renold accepts no responsibility for any drawing, design or specification not prepared by Renold and Renold gives no warranty, guarantee, representation or opinion on the practicability of construction or of the efficacy, safety or otherwise of materials to be supplied or work to be executed by Renold in accordance therewith and the buyer will be responsible for the cost of any additional work caused by defects in any such drawings, designs or specifications.

## 9 Termination or Cancellation

- 9.1 In the event of:
- 9.1.1 insolvency proceeding being initiated with regard to the buyer or its property, or the buyer applying for the initiation of insolvency proceedings;
- 9.1.2 the buyer ceasing or threatening to cease to carry on business;
- 9.1.3 any major breach of these Conditions by the buyer;
- 9.1.4 any event occurring, or proceeding being taken, with respect to the buyer in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Condition 9.1.1; or
- 9.1.5 Renold reasonably believing that any of the events mentioned above is about to occur in relation to the buyer,  
Renold will be entitled to suspend all or any work on or future deliveries and installments of the Goods and/or the provision of Services under any Contract and on written notice to cancel the undelivered portion of any Contract between the buyer.
- 9.2 The exercise of the rights conferred by this Condition 9 will be without prejudice to any other right enjoyed by Renold pursuant to these Conditions or by law including in particular the right to recover the Goods or the proceeds thereof from the buyer pursuant to these Conditions.

## 10 Delivery by Installments

Where more than one item of Goods is to be delivered under any Renold Contract, will endeavor to deliver all items in one delivery. If a delivery by installments cannot be avoided, Renold will indicate its intention to deliver by installments to the buyer and will bear the additional costs of delivery.

## 11 Force Majeure

- 11.1 If events beyond Renold's reasonable control, including strikes, lock-outs, shutdowns and other industrial disputes (in each case whether or not relating to Renold's workforce), shortages of labor or supplies, interruption or lack of transportation, Internet disruption, embargo, import or export prohibitions, governmental actions, orders, legislation, regulations, rationing, riots, civil disturbances or disobedience, epidemic (including, for the avoidance of doubt, pandemic influenza attack), quarantine, acts of terrorism or war, fire, flood, hurricane, earthquake, storm, lightning, explosion, acts of God or of a public enemy, prevent or hinder Renold from delivering the Goods and/or performing the Services in accordance with the Contract, the date or dates for delivery and/or performance will be extended by the period of delay caused by such events and the price will be increased to cover any increased costs caused by such delay.
- 11.2 If the period of delay extends beyond a reasonable period, Renold and the buyer will negotiate in good faith and adapt their mutual obligations to the new situation.
- 11.3 If Renold delivers to the buyer less than the contractual quantity of Goods or delivers any Goods late, the buyer will accept and pay for the Goods so delivered.

## 12 Intellectual Property

- 12.1 The buyer will not use the Goods or any specifications, designs or drawings or any other information supplied by Renold for the purpose of designing or manufacturing identical Goods without Renold's prior written consent. All patent, registered design, copyright and other industrial property rights in or in connection with the Goods which Renold may have remain the property of Renold.
- 12.2 The buyer indemnifies Renold against all charges, damages, penalties, costs and/or expenses to which Renold may become liable as a result of Services provided or Goods supplied in accordance with the buyer's instructions which involves the infringement of any letters patent, trade marks, copyright or registered design or other rights of any third party.

## 13 Delay Occasioned by the buyer

The buyer will promptly furnish all designs, equipment, personnel information and instructions necessary for Renold to be able to undertake the work in performance of the Contract and the buyer will compensate Renold for all loss and expense incurred by Renold by reason of any error, defect or omission therein or by reason of any other act on the part of the buyer to the extent that the buyer or its employees or representatives have acted at least with negligence.

## 14 Waiver

Any failure by Renold to exercise any rights under these Conditions will not constitute a waiver or prevent the subsequent exercise of such rights.

## 15 Severability

If any provision of these Conditions is held by any competent to be authority invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions will not be affected.

## 16 Notice

- 16.1 Any notice required to be given under these Conditions will be addressed in the case of a notice to be given to the buyer at the address of the buyer shown on the Contract or invoice (or, if none, its registered office for the time being in the case of a company or in any other case its last known address) and in the case of Renold, at its registered office for the time being.
- 16.2 Any notice required to be given under these Conditions may be served either:
- 16.2.1 by letter, by leaving the same or sending the same by post and a notice so served will be deemed to have been served on the day it was so left or, in case of a delivery by post, on the day following that on which it was posted in the case of Renold or in the case of the buyer if the address of the buyer is within Germany, and within 7 days of the date of posting otherwise; or
- 16.2.2 by fax, and a notice served will be deemed to have been served within 24 hours of transmission.

## 17 Testing and Installation

- 17.1 Where the buyer requires Renold to carry out tests on the Goods, Renold may charge the buyer at a reasonable rate for work done and materials used in testing together with the cost of travelling to premises other than Renold's own premises and any other associated expenses.
- 17.2 Where Renold carries out work at the buyer's request at any place other than its own premises, without prejudice to any other remedy Renold may have, the buyer will indemnify Renold against any losses it may suffer (including any damages, costs and expenses it may have to pay) as a result of damage to Renold's property or claims against Renold by its employees where the losses arise from the nature, condition or state of repair of the place or any materials or equipment in that place or from any negligence of the buyer, its servants or agents.

## 18 Buyer's Materials

- 18.1 In relation to any orders for which the buyer supplies Renold with its own blanks, patterns or other materials ("Materials"), these Conditions will apply as if a reference to the price of the Services were substituted for the reference to the price of the Goods.
- 18.2 Where any Materials prove to be unsuitable for the treatment that Renold is required to give them, the buyer will pay Renold for all work done and indemnify Renold against any loss or damage it may have suffered through their unsuitability.

## 19 Refurbishment

- 19.1 If the buyer wishes Renold to refurbish Goods, the buyer will (at the buyer's cost) send the Goods to Renold.
- 19.2 Following receipt of the Goods pursuant to Condition 19.1, Renold will provide a quotation for the refurbishment of the Goods. If Renold provides an estimate without having seen the Goods then Renold will not be bound by this estimate and will provide a quotation once it has seen the Goods.
- 19.3 In the case of parts added to Goods during refurbishment, Renold warrants that, subject to the normal limits of industrial quality, the parts will at the time of delivery and unless otherwise agreed by Renold in writing, for 12 months after that date, be of satisfactory quality.
- 19.4 The buyer agrees to indemnify and keep Renold indemnified from and against all costs, expenses, liabilities, injuries, losses, damages, claims, demands or legal costs (on a full indemnity basis) and judgments which Renold incurs or suffers as a consequence of a fault in Goods supplied by the buyer to Renold for refurbishment.

## 20 Third Party Rights

These Conditions are only enforceable by Renold and the buyer and any attempt by any other person to enforce or rely upon these Conditions are excluded and will be unenforceable.

## 21 Sub-contracting

- 21.1 Renold may assign its rights under any Contract or sub-contract the whole or any part thereof to any person, firm or company.
- 21.2 The buyer will notify Renold in writing of any assignment of its rights under any Contract.

## 22 Form

Where these Conditions stipulate that a declaration must be made in writing, every kind of text form (in particular, fax and e-mail) will fulfill that requirement.

## 23 Governing Law

These Conditions and their construction will be governed by the laws of the Federal Republic of Germany and any dispute arising out of or in relation to these Conditions shall be subject to the exclusive jurisdiction of the courts of Göttingen.