

Terms and Conditions of Sale

of SKT Schwarzwälder Kugel- & Rollentechnik GmbH & Co. KG

1. Scope

The following Terms and Conditions of Sale shall apply exclusively for the delivery of goods and/or the provision of other services. Other terms and conditions of the Customer shall not be binding for us, even if we do not expressly object to them. Deviating conditions shall only oblige us if we have expressly acknowledged these in writing.

Our Terms and Conditions of Sale shall also be the basis for all future contracts between us and our Customers. Our Terms and Conditions of Sale shall apply only to legal relationships with entrepreneurs (§ 14 BGB – German Civil Code) and/or legal entities under public law and special funds under public law (§ 310 Par. 1 BGB – German Civil Code).

2. Offers, Data

Our offers shall be fundamentally subject to change. All data in our offers, order confirmations, brochures and price lists have been carefully determined by us but shall remain non-binding if no express written confirmation has been made and shall not release the Customer from their own inspection and trial tests in order to determine the concrete suitability of the goods for the intended use. The Customer alone shall be responsible for the suitability of the goods towards the intended application, use and/or processing and they shall have to observe all legal and official regulations.

Documents belonging to the offers and/or order confirmations, such as illustrations, drawings or weight information, shall only provide approximate values customary in the industry, unless this data has been expressly designated as binding.

The above statements shall also apply to follow-up orders.

3. Order Confirmation

Orders, agreements and assurances, even if they have been rendered by our representatives, shall require our written confirmation in order to become legally effective. A computer-written confirmation that is valid without a signature or a confirmation by telefax shall also be considered a legally effective confirmation. Complaints about our confirmations must be made in writing within ten (10) days at the latest.

4. Prices

Our prices are quoted in euros and/or in the legal currency unit valid in the Federal Republic of Germany. Unless otherwise agreed, the prices shall be valid ex works, Tennenbronn / Black Forest, and shall not include the costs of packaging. Our prices shall be based on current material price quotations, whereby we shall reserve the right to adjust the price in the event of significant material price increases (of more than ten percent (10%)). Should the

delivery not be made within four (4) months of the order, our prices shall be non-binding until the day of delivery; in this case, the calculation shall be made on the basis of the prices applicable on the day of delivery. VAT will be added according to the rate applicable at this time.

If drawings, samples, fittings or gauges are delivered with the order, which deviate from our offer and/or the Customer's request and which require more extensive processing than assumed in our offer and/or the order, we shall reserve the right to increase the price.

5. Packaging, Dispatch

We shall charge the packaging at cost price. We shall only take back packaging material that we provided and to the extent that we are legally obliged to do so. We shall not assume the costs of return transport and/or return of the packaging material.

Shipment shall be at the expense and risk of the Customer. If the Customer does not issue any specific instructions, the shipment will take place at our discretion, without guarantee, using the cheapest shipping method.

6. Passing of Risk

Unless otherwise agreed, the risk shall pass to the Customer upon collection or dispatch of the goods ex works. If dispatch is delayed through the fault of the Customer, the risk shall pass to the Customer from the day of readiness for dispatch.

7. Payments

Unless otherwise agreed, our invoices shall be payable within fourteen (14) days with a two percent (2%) discount or within thirty (30) days of the invoice date without any deductions. A discount shall only be granted on the net value of the goods (excluding freight, packaging and other ancillary costs). For costs incurred, such as for printed documents, for tool costs, for other work performance, the calculated amounts shall be due for payment immediately after invoicing without deduction, unless otherwise agreed. Deliveries abroad shall be effected cash against letter of credit or cash against documents.

The Customer shall not be entitled to withhold payments or to offset them against counter-claims not recognized by us and/or not determined by the court.

Should circumstances occur that lead to a deterioration in the Customer's creditworthiness, we shall be entitled, at our discretion, to demand advance payment or security or to withdraw from the contract after setting a reasonable deadline. In the event of delays in payment, we may charge default interest in the amount of the interest rate charged by commercial banks for open current account credits.

8. Delivery Period, Excess or Short Deliveries

Information on the delivery time shall be approximate and non-binding. Operational disruptions for which we are not responsible, e.g. machine defects, lack of raw materials or strikes, shall release us from complying with promised delivery dates.

A delay in delivery and/or performance, for which we are held responsible, shall only entitle the Customer to withdraw from the contract if we do not accomplish a delivery and/or perform a service within a reasonable allotted grace period.

We shall be permitted to deliver partial shipments and/or to render partial services.

In the case of custom-made products, excess or short deliveries of up to ten percent (10%) of the ordered quantities shall be deemed to be in accordance with the contract.

9. Acceptance Period for Order on Call

In the case of an order on call, unless otherwise agreed, we shall grant a maximum period of twelve (12) months for the call, which period will start on the day of the order. After expiry of the period, we shall be entitled, at our discretion, to invoice the goods or to withdraw from the contract.

10. Ownership of Technical Documents

All design data, drawings as well as any technical specifications and work documents of the delivered products shall remain our property. The same shall apply to our expertise and to any documents, to tools, to operating materials and to resources, which are required for manufacturing the products supplied by us.

11. Protective Rights, Secrecy

With regard to patent, design and trademark protection, acceptance and execution of the orders shall be at the Customer's risk, i.e. the Customer shall assume responsibility that – by providing us with and letting us use drawings, samples, etc. – the rights of third parties shall not be infringed.

We shall be entitled to work results emanating from the execution of the order that are worthy of protection under patent, design, or trademark law. We will transfer to the Customer free rights of use to these results if the results are clearly due to documents provided by the Customer and/or the Customer's know-how and if the results do not concern our core know-how of bearings, rollers and/or fastening technology.

We shall not pass on to third parties any documents, drawings, samples, etc. provided to us for the execution of the order and/or knowledge acquired through the cooperation, provided and to the extent that these are not in relation to our core expertise of bearings, rollers and/or

fastening technology. We shall expressly reserve the right to use our core expertise for the execution of orders for other Customers.

12. Reservation of Proprietary Rights

a) Delivered goods shall remain our property (reserved goods) until all claims against the Customer, to which we are entitled from the business relationship, have been fulfilled. This shall also apply if payments have been made on the part of the Customer for specially designated claims.

b) Should the Customer combine or mix the reserved goods with other goods, we shall be entitled to co-ownership of the novel item in the ratio of the invoice value of the reserved goods at the invoiced value of the other goods used. Should our ownership expire due to combination or mixing, the Customer shall already then transfer to us the ownership rights, to which they are entitled with regard to the new stock or novel item to the extent of the invoice value of the reserved goods, and they shall store the new stock and/or the novel item for us free of charge. The co-ownership rights arising hereunder shall be deemed to be goods subject to retention of title within the meaning of Sub-section a). We shall accept the transfer.

c) The Customer shall be entitled to sell the reserved goods in the ordinary course of business under their terms and conditions, which include a comprehensive retention of title in accordance with these provisions and as long as they are not in default of payments to us. The Customer's claims arising from the resale of the reserved goods shall already now be assigned to us. They shall serve as security to the same extent as the reserved goods do. We shall hereby accept the assignment. The Customer shall not be entitled to dispose of the reserved goods otherwise; in particular, the right to dispose of the reserved goods shall be deemed to be revoked without further ado if the opening of insolvency proceedings against the Customer's assets is applied for or the opening of insolvency proceedings is rejected through lack of assets.

d) If the Customer vends the reserved goods together with other goods not sold by us, the assignment of the claim from the resale shall only apply in the amount of our invoice value of the respectively sold reserved goods. When selling goods in which we have co-ownership shares in accordance with Sub-section b), the assignment of the claim shall apply in the amount of these co-ownership shares.

e) The Customer shall be entitled to collect claims from the sale in accordance with the preceding sub-sections until our revocation, which will be permissible at any time. We shall only make use of the right of withdrawal in the cases of Sub-section c). Under no circumstances shall the Customer be entitled to assign the claim to any other effect. At our request, they shall be obliged to inform their Customers immediately of the assignment to us and to hand over to us the information and documents necessary for collection. The Customer shall not be permitted to pledge the reserved goods or to assign these goods by way of security.

f) If the value of the securities, to which we are entitled, exceeds the secured claims by more than twenty percent (20%) in total, we shall be obliged to release securities to such extent at our choice upon the Customer's request. The valuation of the securities as collateral value shall be based on their realizable value.

g) The Customer shall have to notify us immediately of a seizure or any other endangerment or impairment of our property and of claim rights by third parties by handing over the seizure protocols or other documents and in turn do everything possible to protect our rights.

h) We shall be entitled to enter the Customer's warehouse and business premises during normal business hours in order to mark the reserved goods. The Customer shall be obliged to comprehensively insure the reserved goods at their own expense in our favor and to prove the insurance to us upon request. They shall already now assign all resulting insurance claims to us. We shall accept the assignment. The assertion of our retention of title shall not be deemed a withdrawal from the contract. The Customer's right to possess the reserved goods shall expire if they do not fulfil their obligations towards us. In this case, we shall be entitled to take possession of the reserved goods ourselves and, without prejudice to the payment or other obligations of the Customer towards us, to make the best possible use of them by private sale or by means of an auction.

i) Should the retention of title or the assignment not be effective under the law applicable in the area where the goods are located, the security corresponding in that area to a retention of title or an assignment shall be deemed as having been agreed. Should the Customer's cooperation become indispensable in this regard, they must take all measures necessary to establish and obtain such rights.

13. Tools and Special Equipment

Unless otherwise agreed, we shall charge cost shares for tools and/or special equipment manufactured by us or procured by us. Tools and/or special equipment shall remain in our possession even after we have processed the order. Should it turn out that, for manufacturing reasons, it is not possible to produce with the tools created by us and/or procured by us, we shall only be liable in accordance with Section 15 below.

14. Notification of Defects, Warranty

The Customer shall have to carry out a proper incoming goods inspection. Recognizable defects are to be claimed in writing and specified to us immediately upon receipt of the shipment, unrecognizable defects immediately after the discovery of the defect.

In the event of justified complaints, we shall, at our discretion, undertake to remedy the defect or deliver a replacement free of charge. Warranty claims shall be excluded for defects that have occurred only after the expiry of two years from the date of delivery. The Customer shall be merely able to withdraw from the contract or reduce the value if we have not reme-

died defects, for which we are responsible, after a reasonable grace period. Further claims for compensation shall be excluded, apart from liability for damages in accordance with Section 15 below.

15. Liability

Our liability – regardless of the legal basis – shall be limited to damages caused by us or our vicarious agents intentionally, through gross negligence, or by a breach through slight negligence of obligations that are essential for the fulfillment of the purpose of the contract. In cases of a slightly negligent breach of obligations essential for the fulfillment of the purpose of the contract, our liability shall be limited in amount to the damages typical in comparable contracts of this kind, which were foreseeable at the time of conclusion of the contract or at the latest at the beginning of the breach of duty. Claims for damage due to injury to life, limb or health, and/or due to the lack of a quality guarantee or other significant breach of duty on our part and according to the Product Liability Act shall remain unaffected thereby.

16. Quality Agreements

Quality agreements shall only be binding if they have been made separately in writing.

17. Place of Performance, Place of Jurisdiction, Applicable Law

The place of performance for deliveries, for other services to be provided by us, and for payment shall be Tennenbronn / Black Forest. The courts responsible for our registered office in Tennenbronn / Black Forest shall have exclusive jurisdiction for any disputes arising in connection with the delivery of goods or the provision of other services by us. However, we shall also be entitled to sue the Customer before the courts responsible at the Customer's registered office.

All legal relationships between us and our Customers shall be governed exclusively by German law, to the exclusion of the United Nations Convention of 11 April 1980 (CISG) for the international sale of goods.

18. Final Provisions

The Customer shall agree that the data we require from them within the context of the business relationship will be stored and used by us.

Should any of the above-agreed provisions be or become invalid in whole or in part, they shall not affect the validity of the remaining provisions of the present Terms and Conditions of Sale. An invalid provision shall be replaced by such a valid provision, which comes as close as possible to the meaning of the invalid provision.

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