



RULMECA GERMANY GmbH – Terms and Conditions of Sale

Address: Wilslebener Chaussee 12-14, 06449 Aschersleben, Germany

1. Exclusive validity of our terms and conditions

We accept orders exclusively according to our terms and conditions of sale. General terms and conditions of business of the purchaser or provisions of the purchaser or agreements deviating from our terms and conditions of sale are only binding for us if we recognize them explicitly in written form.

2. Quotations – Orders – Subject terms of contract

2.1 Our quotations are subject to change as a contract only comes into effect after our order confirmation.

2.2. Additional agreements to our quotations and confirmations as well as agreements with our field managers and representatives require our written confirmation to become valid.

2.3 For subject terms of contract, our written confirmations are to be applied exclusively.

2.4 For every single order or demands according to the price list agreements, a minimum net value of EUR 200,00 applies.

3. Description of goods – Quantity tolerance

3.1 Sketches, drawings or samples which we enclose to our quotations or confirmations as well as technical specifications, for example weight or power data, are only approximately valid.

3.2 Agreements on the quantity of goods to be delivered are valid with a fluctuation range of 3% up or down. For custom-made products, this fluctuation range may vary up to 10%.

3.3 We ensure size accuracy and functionality according to the current catalogue or quotation for our products. A deviating technical design according to the state-of-the-art or further developments by RULMECA are reason for complaints.

The purchaser has no right on identical design in comparison to previous deliveries or existing drawings, unless this has been agreed separately in written form.

4. Prices – Tool costs – Packaging

4.1 Our prices are calculated for a delivery ex works excluding packaging, customs and insurance costs.

4.2 If the purchaser bears part of the tooling costs, he is not entitled to a transfer of ownership or handing-over of the tool. The tooling costs are neither returned nor amortized. We store the tool for five years since last delivery of goods which were manufactured by means of it; after expiry of this period the tool will be at our free disposal.

4.3 If the buyer has to bear merely part of the tooling costs and he does not acquire all goods manufactured in connection with the order for whatever reason, he is obliged to compensate all tooling costs.

4.4 Packaging is to be calculated at the most favourable price.

5. Industrial property rights – Customer parts – Drawings

5.1 If we execute a delivery according to a drawing or sample of the purchaser, he is responsible for not infringing third parties' industrial property rights. The same applies if we develop or design contract goods on behalf of the purchaser.

5.2 In case that we should need parts for manufacturing contract goods which the purchaser has to provide, he is obliged to deliver these parts free of charge in a sufficient quantity according to the order quantity plus a buffer of 10%.

5.3 We reserve the ownership and copyrights for all drawings, sketches, samples or similar documents which we provide; such documents are not to be made available to third parties.

6. Call-off orders - Scheduling – Acceptance of goods

6.1 In case of call-off orders the total order quantity is deemed to be called off one month after expiry of the period which was agreed for call-off, in the absence of such an agreement six months after conclusion of the contract.

6.2 If the purchaser does not incumbently schedule the goods to be delivered within one month after expiry of the agreed schedule period the latest, in the absence of such an agreement six months after conclusion of the contract the latest, we are allowed to schedule and to deliver the goods at our discretion.

6.3 The acceptance of the ordered goods is a main obligation of the purchaser at any rate.

7. Dispatch – Transfer of risk

7.1 The determination of the dispatch route is in our reasonable discretion. We are not obliged to choose the cheapest, safest or fastest dispatch route or to insure the goods.

7.2 The risk is transferred to the purchaser on delivery of the goods to a forwarder, however the latest when the goods leave our factory. If dispatch is delayed due to circumstances the purchaser is responsible for, the transfer of risk already applies if we ask the purchaser for to take the actions required by him for the first time. The transfer of risk remains unaffected by any agreement on transport and insurance costs.

8. Delivery date

8.1 Agreed delivery dates are valid only approximately.

8.2 If dispatch is delayed due to circumstances which are not within our company's influence, particularly by force majeure, official interventions, industrial dispute measures, difficulties in material procurement, industrial disruptions, special requests of the purchaser or by any other similar reason, the delivery date extends by the time the hindrance persists. A hindrance the end of which is not foreseeable authorizes the purchaser and us to withdraw from the contract, when it could not be fulfilled as a result of the hindrance.

8.3 If we are in default with a delivery, the purchaser is allowed to withdraw from contract, if he has fixed in written form an adequate additional respite of at least four weeks and goods have not been delivered within this respite,

8.4 The purchaser cannot deduce any compensation against us if the delivery date is exceeded or delayed.

9. Liability for defects

9.1 The customer has to notify us about any defect of the delivered goods immediately after its discovery in writing. The period of notification for defects which are discovered at a reasonable inspection according to a proper course of business is eight days, for other defects eight weeks respectively since receipt of the goods. If the purchaser fails to notify the defect immediately or in due time, he loses all warranty rights.

9.2 The purchaser also loses all warranty rights if the goods are processed or subject to changes by any other procedure.

9.3 Defective partial deliveries do not entitle the purchaser to refuse receipt of further partial quantities.

9.4 As far as a proper notification of defects is justified, we repair and respectively deliver error-free replacement goods free of charge, however only after returning the defective goods to us, whereupon we bear the costs of return. Instead we can choose entire or partial cancellation of the contract or reduction of the purchase price. The purchaser is not entitled to further rights, particularly to claims for damages.

9.5 The warranty period for the products motorized pulleys, belt pulleys and rollers ends 24 months after date of invoice.

9.6 The warranty is executed at the place of delivery according to European Warranty Law. Accruing shipping costs due to the execution at another place than the place of delivery or costs that do not concern the business itself (e.g. costs for disassembly or assembly of our products) cannot be claimed as warranty.

9.7 Wear and wear parts (e.g. feeding rollers, backup rings, rubber laggings, etc.) and claims from consequential damages are excluded from warranty. The usual failure ratio of rollers of 1% per year is not included in the warranty. Furthermore we consider professional assembly as well as storage according to our storage specifications as premises for warranty. All services in connection with the warranty are carried out according to EXW Incoterms 2010.

10. Payment

10.1 Our invoices are issued in Euro and are to be settled by payment in Euro.

10.2 Our invoices are to be paid immediately, if not otherwise agreed. If the goods are dispatched only after the date of invoice, the payment term starts on shipment of the goods. Payment conditions offered in quotations are always subject to change and become binding only after written order confirmation by RULMECA GERMANY.

10.3 In deviation to clause no. 10.2, one half of tool costs is to be paid immediately after conclusion of the contract, the other half on presentation of the type sample net without deduction of discounts, at the latest they become due at the moment specified in clause no. 10.2..

10.4 We only accept checks or bills for payment purposes. In such cases we are not responsible for a timely presentation or objection. Costs of discounting, taxation and collection are at the purchaser's expenses; he has to compensate these amounts immediately upon request.

10.5 If we become aware of circumstances of which may make the creditworthiness of the purchaser to appear doubtful after conclusion of the contract, we can either demand prepayment or provision of a security. The same applies if the purchaser is in default with the fulfilment of an obligation incumbent on him.

10.6 If the purchaser does not pay on due date, we are allowed to charge interest from due date to the amount of the costs of a current loan of our house bank, at least at a rate of 2% above the respective discount rate of the Deutsche Bundesbank (German Federal Bank) without the necessity of a default.

10.7 If the purchaser is in default with a payment obligation, all due dates in all businesses concluded between purchaser and us become inapplicable.

10.8 The purchaser is not allowed to offset amounts due with our payment claims or to bear a right of detention on due amounts.

11. Retention of title

11.1 The goods supplied remain our property until full settlement of all our claims from the business relationship with the purchaser, also including those taken into account from a pending invoice.

11.2 While processing or handling the goods supplied, any acquisition of ownership by the purchaser is excluded. Processing or handling is carried out for us in a way that we are to be considered as manufacturer. While processing goods of foreign origin which are also subject to an extended retention of title in terms of processing, we acquire co-ownership of the new item in proportion of the invoice amount of our goods to the value of the other goods at the moment of processing. If, by any circumstances, during processing or handling of reserved goods or their connection with other goods, ownership or co-ownership of the purchaser shall arise, this ownership or co-ownership is transferred to us at to moment of occurrence. All expectant rights which may lead to such acquisition of ownership by the purchaser are transferred to us now. The ownership or co-ownership we acquired by processing or handling is to be treated legally in the same way as for the original goods.

11.3 All claims of the purchaser resulting from a resale of goods on which we have ownership or co-ownership pass over to us on conclusion of the contract, irrespectively, whether the goods are

sold to one or more buyers without or after processing or handling or connection. If we do not own the sold goods completely or if they are sold together with other goods which do not belong to us, the assignment includes only the counterclaim to the amount of the invoice value of our goods. The purchaser may not collect the assigned claims. We are allowed to revoke this authorization if the purchaser does not fulfil an incumbent obligation in time or if we become aware of circumstances by which our rights may appear to be endangered.

The collection authorization of the purchaser expires automatically if the purchaser stops payments, if he is asked to disclose the financial situation by a court, if an application to open legal composition proceedings or insolvency proceedings is filed against him or if he takes effort for an out-of-court settlement. Upon our request the purchaser has to notify debtors of the assigned claims about the assignment, to announce debtors and amounts that are in debt and to hand out documents which are necessary for us to enforce the assigned claims.

11.4 The purchaser is allowed to sell, process or handle or connect the goods which are in our ownership or co-ownership with goods of foreign origin only in the course of usual business. A disposal is permitted only by selling and only provided that the claims of the purchaser from sale transactions pass over to us, as defined above. The purchaser is not authorized to other disposals of our goods; he must not pledge them or assign them as security. The purchaser has to inform us immediately about upcoming or fulfilled accesses to conditional goods by third parties or assigned claims. Costs that we have to pay due to an intervention are to be borne by the purchaser.

11.5 If the purchaser is partially or entirely in default with the performance of an obligation secured by retention of title or if we become aware of circumstances by which our rights may appear endangered, we can demand surrender of the goods delivered by us without previous declaration of cancelation of purchase contract according to § 455 BGB (German Civil Code) or without granting a period for the compliance with the payment obligation according to § 326 BGB. The existence of the purchase contract and liabilities of the purchaser remain unaffected by such a demand and by surrender. If we take back goods delivered by us under exemption of the purchaser from purchase commitment, we are entitled to demand at least 25% of the invoice amount of the goods as damages for non-performance.

11.6 The retention of title is subject to condition subsequent as with full payment of our outstanding debts from the business relationship the ownership on conditional goods passes over to the purchaser and he is entitled to the assigned claims without further ado. We undertake to release securities (goods and claims) of our choice to which we are entitled according to the above provisions insofar as their value exceeds more than 20% of the claims to be secured on request of the purchaser.

12. Place of fulfilment – Place of jurisdiction – Applicable law

12.1 Place of fulfilment for deliveries and payment is Aschersleben.

12.2 Exclusive place of jurisdiction for all disputes arising from and in connection with the contract is the competent court of the registered office of the supplier. However, we have the right to sue the purchaser at any other place of jurisdiction competent for him.

12.3 In case of international transactions the German Federal Law is applicable for the entire contractual relation, as far as no other legal system imperatively applies.

13. Severability

If any provision of our terms and conditions of sale or another part of the contract concluded between us and the purchaser is or should become invalid or inapplicable, the remaining part of the contract remains unaffected by this.

The invalid or inapplicable provision is to be replaced by the nearest valid provision, which we and the purchaser would have agreed under reasonable consideration if we had been aware of the invalidity or inapplicability at the moment of conclusion of the contract.

Aschersleben, 8th May 2014