

General Terms and Conditions of Purchase

Sec. 1 Preface

The following General Terms and Conditions of Purchase apply to all orders of Wieland Antriebstechnik GmbH & Co. KG, hereinafter referred to as the "Purchaser." All offers, orders, and performances are made exclusively based on these terms. These terms and conditions also apply to all future business relationships, even if they are not expressly agreed on again. These terms and conditions are also deemed accepted at latest upon the acceptance of the offers or the Supplier's order confirmation. Acknowledgements by the Supplier referring to its own terms and conditions are herewith expressly excepted. Any deviation of an order confirmation from orders by the Purchaser is deemed a rejection of our purchase order. In the event that the delivery still occurs, this is deemed consent with the Purchaser's terms and conditions of purchase. Offers and cost estimates are always free of costs for us.

Sec. 2 Offer and contract conclusion

The Purchaser's purchase orders are to be confirmed in writing and are then deemed an offer of the Supplier. Verbal orders or orders made by phone only become valid when confirmed in writing. In any case, a contract is only concluded with written confirmation by the Purchaser. The written form requirement may only be waived in writing.

Sec. 3 Prices and ancillary costs

Prices are fixed prices inclusive packaging, up to the agreed point of receipt, and inclusive payment of duties. Invoices that are due and payable are to be issued in Euro. After delivery, all invoices are to be transmitted to the Purchaser in duplicate with all related documents and data.

Sec. 4 Delivery and transfer of risk

Delivery dates indicated in the order are binding. Deliveries are to be announced to the Purchaser in advance by a dispatch note, in which the type as well as the amount and weight of the goods are to be indicated. Dispatch notes, bills of lading, invoices, and any correspondence must reference the Purchaser's purchase order number. In the event of a delivery delay, we are entitled to demand fixed damages caused by the delay to an amount of 0.5% of the delivery value per commenced calendar week, but no more than a maximum of 10% of the value of the goods. The Supplier remains free to demonstrate that less damage was incurred. In case of early delivery, the Purchaser is entitled to send the goods back to the Supplier. If the Purchaser refrains from sending the goods back, they will be stored at the Supplier's cost and risk until the delivery date. Otherwise, the risk shall only transfer to the Purchaser once the shipment is transferred to the person responsible for receipt at the place of dispatch.

Sec. 5 Warranty

The Supplier is fully liable for its performances in accordance with the law and, otherwise, according to the following stipulations. The Supplier is to render its performance without faults, so that it possesses the guaranteed characteristics and is not laden with flaws that remove or reduce its suitability for the common use or such use required by the Purchaser when placing the order.

In case of faulty delivery, the Purchaser is entitled to make improvements on the delivery object on account of the Supplier, if an improvement cannot be made by the Supplier because of time constraints. The Purchaser will inform the Supplier hereof in writing before improvements are made.

The Purchaser is entitled to make notice of defects within 4 weeks after receipt of the goods or, in the event of hidden defects, after their discovery. This also applies to processed or worked-up delivery objects.

The warranty extends for 36 months after the transfer of risk. The applicability of longer statutory deadlines, e.g., for parts which are intended for installation in a building, remains unaffected.

The Supplier shall indemnify the Purchaser from product liability claims of third parties, inasmuch as the Supplier is liable for the fault leading to the liability.

The Supplier guarantees the subsequent delivery of spare parts for a period of 10 years from the date of delivery.

Sec. 6 Declarations on the originating status

The following terms apply if the Supplier makes declarations on the originating status of the goods sold:

1. The Supplier undertakes to allow verification of this originating status by customs authorities and to give the necessary information, as well as to provide required confirmations, if any.
2. The Supplier is obligated to compensate any damages incurred, because the competent authorities fail to acknowledge the declared origin due to any deficient certification or impossibility to verify. This liability only applies, however, if the Supplier acted culpably or if guaranteed characteristics are lacking.

Sec. 7 Tools, models, drawings, and other documents

1. Tools, models, drawings, and other documents provided by us may only be used to execute our purchase orders. They may not be made accessible to third parties without our written consent.
2. The Supplier undertakes to transfer these after the completion of the purchase order and to transfer ownership free of third party rights and at no cost to us, as well as the exclusive irrevocable right of use.
3. If the Supplier culpably breaches the above mentioned obligations in Number 1 of this section, the supplier shall pay a contractual penalty for each breach to the amount of **EUR 10,000.00**.

Sec. 8 Retention of title, objections

Retention of title for the benefit of the Supplier and of third parties is excluded. The Supplier may only assign its claims against the Purchaser with the written consent of the latter.

The Supplier may only offset claims or exercise a right of retention on claims that are undisputed or have been recognized by declaratory judgment against claims of the Purchaser. Furthermore, the Purchaser may only exercise rights of retention based on the same contractual relationship.

Sec. 9 Limitation of liability

All compensation claims, regardless of their legal grounds, against the Purchaser or against its vicarious agents are excluded unless they are based on:

- breach of the main contractual obligations;
- intention or gross negligence;
- injury to life, body, or health.

In each case, the liability is limited to the foreseeable, contractually typical damages. This is calculated on the basis of the value of the delivery that is connected to the event leading to the damage.

Sec. 10 Place of performance, jurisdiction, severability

The place of performance - and exclusive jurisdiction for both Parties is Hanover, Germany, if the Supplier is a registered merchant (i.e., a *Vollkaufmann*) within the meaning of the German Commercial Code (i.e., the *Handelsgesetzbuch*), a legal entity under German public law, or a special fund under German public law.

Inasmuch as individual terms above are invalid, the Parties agree to stipulate a valid provision that most closely resembles the invalid provision. The validity of the remaining terms remains unaffected thereby.

Sec. 11 International transactions

The law of the Federal Republic of Germany applies to these terms and conditions and all legal relationships between Purchaser and Supplier.

The provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) are expressly excluded. The Purchaser is, however, entitled to file suit against the Supplier in its country of domicile. Should the competent court there reject the applicability of German law, the contractual relationship is subject to the provisions of the CISG under observance of the stipulations agreed to in these terms.

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