

Contractual conditions for contracts concerning the web shop and conditions of sale and delivery of GGB Heilbronn GmbH

I. Contractual conditions for sales via our web shop

1. Scope of validity

- 1.1. These conditions apply to all contracts which are concluded through our web shop and can be accessed and/or printed out at <https://ggb-webstore.de/content/files/ggb-heilbronn-germany-t&c-sales-conditions-2018.pdf>
- 1.2. The products we offer in our web shop are only oriented to buyers who are aged 18 years or over and who are entrepreneurs as defined by section 14 BGB (German Civil Code).
- 1.3. Our deliveries, services and offers occur exclusively on the basis of our general conditions of sale and delivery provided below and which can also be accessed and printed out at www.ggbearings.com.

Our GTC therefore apply to entrepreneurs for all future business relationships, even if they are not expressly agreed upon again. We therefore withhold our consent to the inclusion of the general terms and conditions of our customer.

2. Conclusion of contract

- 2.1. The products presented in our web shop do not constitute a binding proposal for the conclusion of a purchase contract. On the contrary, it constitutes a non-binding proposition to the customer to order products in our web shop that they are interested in buying (known as an "invitatio ad offerendum").
- 2.2. The customer only submits a binding offer for the purchase of a selected product by clicking on the "place your order now" button (section 145 BGB).
- 2.3. After the receipt of their purchase offer, the customer immediately receives an automatically generated email in which we confirm that we have received their order (confirmation of receipt). This confirmation of receipt does not yet constitute acceptance of their offer on our part, however. A contract does not yet come about due to this confirmation of receipt.
- 2.4. A purchase contract for the ordered goods only comes about if we expressly declare our acceptance of the offer of purchase or when we send the goods to the customer – without the prior express declaration of acceptance.

3. Prices

The prices stated on our product pages are net prices not including the current rate of value added tax and not including the appropriate mailing costs.

II. In any other respect, our conditions of sale and delivery provided below apply

1. Scope of validity

- 1.1. Our conditions of sale and delivery apply exclusively to entrepreneurs, legal persons under public law or special funds under public law as defined by section 310 (1) BGB.
- 1.2. These conditions apply to the exclusion of the general terms and conditions of the ordering party and, in the absence of a written agreement to the contrary, to all of our deliveries, even if we make no express reference to them in the future. Agreements which deviate from these conditions of sale and from our confirmation of order require our written confirmation.

2. Offer and conclusion of contract

- 2.1. Our offers are non-binding. The delivery contract comes into being with our written confirmation of order.
- 2.2. The conclusion of contract occurs subject to the correct and punctual self-delivery by our supplier. This only applies if we are not responsible for the failure to deliver, especially in the event of the conclusion of a congruent hedging transaction with our supplier. The ordering party will be informed of the non-availability of the service without delay.
- 2.3. We are authorised to make partial deliveries. We expressly reserve the right to make under or over deliveries regarding the weight and number of units of up to 10% with regards to both the total order quantity as well as every individual partial delivery.
- 2.4. With framework contracts or contracts that require separate deliveries of materials for the purpose of coverage, starting from 3 months after the confirmation of order, we are entitled to request binding services (e.g. exact delivery quantities, times of delivery, measurements and quality characteristics for individual provisions). If the ordering party does not comply with this request within 2 weeks we are entitled to set a two-week period of grace and, after its expiry, to withdraw from the contract, and with refusal of the delivery, claim compensation for damage.
- 2.5. If the ordering party wants us to carry out tests that extend beyond the state of the art, or tests necessary for specific uses of the product, the type and scope of the tests must be agreed to upon conclusion of the contract at the latest. If this does not occur, the costs for such tests will be borne by the ordering party.
- 2.6. Offers (contract, confirmation of order) and the performance of the contract are subject to the condition that the competent authorities issue the required export / transfer licences and that there are no other legal obstacles due to export control law requirements which we in our capacity as exporter / transferor or any of our suppliers have to comply with. If we are unable to fulfil the contract with the ordering party during its duration due to European, German and US (re-) export regulations, we will not be held liable for any damages that may occur as a result.

3. Delivery deadlines and default

- 3.1. If the ordering party fails to fulfil their contractual obligations on time (including cooperation or secondary obligations), without prejudice to our rights arising from the default, we are authorised to postpone our delivery periods and times within reason according to the requirements of our production sequences and to demand compensation for the damage that we have suffered, including possible extra charges.
- 3.2. If a delivery period has been agreed such period starts as soon as the details of how the order is to be executed have been clarified and the ordering party has fulfilled all of the requirements. The day of delivery is the day of readiness for shipment.
- 3.3. In the event of the failure to make a delivery on time, the ordering party is entitled to stipulate a reasonable extension period. If the delivery is not made within this period the ordering party is entitled to withdraw from the contract. In the event of default, upon our request, the ordering party must inform us within an appropriate period whether they want to withdraw from the contract or insist on the delivery.
- 3.4. Clause 10 (liability) of these general terms and conditions applies to claims for compensation by the ordering party due to a default in delivery for which we are responsible.

- 3.5. Insofar as we have concluded congruent coverage with our supplier, unforeseeable circumstances for which we are not to blame, such as operational faults, the passing of delivery deadlines or the failure to deliver on the part of upstream suppliers as well as energy or raw material shortages, free us from our obligation to deliver for the duration of the disruption and in the scope of its effect. If this results in the delivery being delayed by more than 3 months, under exclusion of all other claims and in view of the quantity affected by the delivery disruption, the ordering party is entitled to withdraw from the contract.
- 3.6. We and the ordering party are entitled to the same rights in cases of force majeure such as strikes, lock outs or official orders over which we have no control.
- 4. Acceptance**
- If the acceptance of our service is agreed to separately, the ordering party is obliged to carry this out in our premises at their own costs.
- 5. Dispatch and transfer of risk**
- 5.1. Unless an alternative condition of delivery is agreed, we deliver "ex works" (latest version of Incoterms). The costs of specialist delivery services required by the ordering party (costs for courier or express delivery, etc.) are paid by the ordering party unless the specialist delivery is made necessary because of our own conduct.
- 5.2. Unless agreed otherwise, we choose the mailing route and transport method. Transport insurance is only provided at the express request of the ordering party and at their expense and according to a separate agreement.
- 6. Packaging, dimensions and weights**
- 6.1. The packaging occurs according to our packaging standards. In this respect, the principle of minimising the use of packaging material and only using environmentally friendly materials applies. The use of reusable packaging (small load carriers for example) must generally be agreed with us and is subject to our separate approval. This also applies to customer-specific packaging requirements. We do not take disposable packaging back.
- 6.2. In accordance with usual commercial conditions, the dimensions and weights of the ordered goods can deviate from our offers and conditions of order or be subsequently changed by us.
- 7. Prices and payment**
- 7.1. In the absence of a written agreement to the contrary, all extra costs, such as packaging, freight, insurance, customs, charges and fees of all kind are payable by the ordering party. Our prices do not include value added tax, which is shown separately in the invoice.
- 7.2. In the case of orders that are to be carried out later than 4 months following the conclusion of the contract, in the event of unforeseeable and major changes to the production costs (e.g. the cost of materials, energy, personnel, transport and public levies), we are entitled to adapt the prices of deliveries that have not yet taken place accordingly.
- 7.3. For all orders with a value of less than EUR 75.- that are placed directly with Customer Service, we reserve the right to charge a service charge. The amount of the service charge depends on the amount of the difference between the value of goods and the EUR 75.-. Orders in the webstore are possible from a minimum order value of EUR 30.-, a service charge is not valid from a minimum order value of EUR 30.-. Orders from EUR 75.- can be placed either via the webstore or our Customer Service. A service charge is not taken.
- 7.4. Administrative fees for certificates of compliance / testing certificates and samples production: certificate of origin: EUR 50.- / certificate of compliance 2.1 according to DIN EN 10204: EUR 50.-; as an alternative, a text block is available which can be printed on the delivery note: free of charge / certificate of compliance 2.2 according to DIN EN 10204: EUR 50.- / acceptance test certificate 3.1 according to DIN EN 10204: EUR 75.- / complete initial samples of standard parts: EUR 250.- / aviation sample (FAI First Article Inspection): EUR 250.-.
- 7.5. In the event of reasonable doubt about the solvency or creditworthiness of the ordering party, without prejudice to our other rights, we are entitled to claim advance payment for outstanding deliveries and to make all claims resulting from the business relationship payable immediately. The delivery is put on hold as long as the ordering party is in default of a due payment.
- 7.6. Payments must be made 30 days net from the date of invoice without deduction.
- 7.7. The application of section 366 BGB is excluded.
- 7.8. The ordering party only holds an offsetting right if their counter-claims are found to be legally valid or if they have been recognised by us. The ordering party is only able to exercise a right of retention if their counter-claim is based on the same contractual relationship.
- 8. Retention of title**
- 8.1. The goods shall remain our property until the fulfilment of all our claims towards the ordering party arising from the business relationship, including those from the current account as well as interest, costs and possible claims for damages ("retained goods"). With default of payment we are entitled to withdraw from the contract and demand that the goods are returned.
- 8.2. The ordering party is entitled to sell the retained goods in the ordinary course of business. Other acts of disposal are not permitted.
- 8.3. The receivables of the buyer that arise from the resale of our goods are now ceded to us to the value of the goods that we delivered for security. Alongside us, the buyer is authorised to collect the receivables as long as they duly meet their payment obligations, do not enter into default of payment, and in particular, that no insolvency proceedings are opened for their assets or such proceedings are rejected due to a lack of funds, or in the event of the stoppage of payment. In the above cases, we can demand that the ordering party informs us of the assigned receivables and the debtors, that they provide all of the information required for the collection, distribute the relevant documents, and inform the debtors (third parties) of the assignment.
- 8.4. The ordering party undertakes to handle the goods with care. In particular, they are obliged to insure them at their own cost against fire damage, water damage and theft to an amount sufficient to cover the reinstatement value.
- 8.5. A pledging or assignment of the goods that we deliver as security is only permitted following the full payment of all of our receivables. We are to be notified of the pledging of the retained goods immediately. We undertake to release the securities to which we are entitled upon the request of the ordering party insofar as the realisable value of our securities exceeds the receivables to be secured by more than 20%. We shall be responsible for selecting which securities to release.

- 8.6. The processing or modification of the delivered goods by the ordering party will always be carried out on our behalf. If the goods are processed with other items which are not our property, we acquire the joint ownership of the new item in relation to the value of the goods (final invoice amount, including value added tax) to the other processed items at the time of processing. The same is valid for the new items that result from this processing as for the goods delivered under retention of title.
- 8.7. If the goods are inseparably mixed with other items which are not our property, we acquire the joint ownership of the new item in relation to the value of the retained goods (final invoice amount, including value added tax) to the other mixed items at the time of mixing. If the mixing takes place in such a way that the item of the ordering party is to be regarded as the principal item then it is agreed that the ordering party gives us proportionate co-ownership. The ordering party holds the resulting sole ownership or co-ownership on our behalf. As security for receivables owed to us from them, the ordering party also assigns to us the receivables they are owed from a third party through the integration of the delivered goods into a property.
- 8.8. We shall not accept return deliveries caused by the ordering party with a goods value of less than EUR 25.-.
- 8.9. Insofar as they supply us materials, the ordering party grants us a right of lien to the materials supplied to us and to claims in lieu thereof as security for all current and future claims arising from the business relationship with them. If the ordering party is in default of payment or insolvent, we are entitled to dispose of the material to which the right of lien applies at the average German market price on the day of the default of payment or the insolvency as we so wish.
- 9. Inspection duty of the ordering party, notice of defects, rights in the case of material defects**
- 9.1. The ordering party must provide notification of any recognisable defects in writing without delay, and at the latest, 8 working days following the receipt of the goods. Otherwise the goods are considered accepted. Notice of hidden defects must be provided in writing within 8 working days subsequent to their discovery; otherwise the goods are considered accepted despite these defects.
- 9.2. Every further processing of parts that are subject to complaint must be waived until clarification of the possible use. We may request that certain parts subject to complaint are sent to us immediately. We also request that we are given the opportunity to check the defects that are the subject of the complaint at their actual location. Without our approval, the goods subject to complaint cannot be changed in any way without loss of warranty.
- 9.3. Generally, the statutory period of limitation for material defect claims is 1 year. In the event of an injury to life, body or health attributable to us, and in cases of intent and gross negligence, the statutory period of limitation for material defect claims is 2 years. For goods that have been used for a building in accordance with their use and are the cause of its imperfection, the statutory period of limitation for material defect claims is 5 years.
- 9.4. If the delivered item has a defect, as remedial action, the ordering party may request the removal of the defect (rectification) or the delivery of replacement goods free from any defects (replacement delivery), in respect to which we have the right to choose between these two options. If we replace defective items, we acquire the ownership of the replaced parts. If we do not agree to, or if we are not in a position to eliminate the defect or to deliver replacement goods, in particular if this is delayed for reasons for which we are responsible or if the rectification / replacement delivery fails in any other way and if the ordering party considers further attempts at remedial action unacceptable then they are entitled to withdraw from the contract or to demand a reduction in the purchase price.
- 9.5. In the case of damage otherwise caused due to material defects on the delivered goods, we are only liable as per the limitations stated in clause 10 (liability).
- 9.6. Claims for defects are not applicable in the case of normal wear and tear or damages that occur after passing the risk due to incorrect or negligent handling, excessive loads, unsuitable equipment or which arise due to special external circumstances that are not foreseen in the contract. If the ordering party or a third party carries out improper modifications or repair work, claims for defects regarding such modifications or repair work or its consequences are not applicable.
- 9.7. With respect to the quality of the goods, as a rule, only the contents of our product description shall be deemed agreed. Furthermore, public declarations, recommendations or general advertising by us or other bodies do not represent any kind of contractual declaration of the quality of the goods.
- 9.8. If outturn samples are manufactured and sent to the ordering party for inspection, we are only liable for the delivery to be completed in accordance with the outturn sample and in consideration of possible adjustments. The outturn samples and/or our working drawings that are sent to the ordering party for inspection and testing are solely authoritative for the configuration, dimensions, weight and suitability.
- 9.9. The ordering party shall have no claim with respect to necessary expenses incurred in the course of remedial action, including but not limited to the costs of transport, labour and material, to the extent that the expenses increase because the object of the deliveries was subsequently brought to another location than the delivery location, unless doing so corresponds to its intended use.
- 9.10. At our request, the ordering party is obliged to declare within a reasonable period of time whether, due to the failure of the remedial action, they want to withdraw from the contract or assert a reduction in the purchase price.
- 9.11. Unless agreed otherwise, the EN / DIN standards and the GGB specification apply to the quality of the products. If deviations from dimensions and other technical values are acceptable for the intended purpose they do not provide any substantiation for complaints.
- 10. Liability**
- 10.1. We are liable according to the regulations of the German Product Liability Act as well as in cases of incapacity and impossibility for which we are responsible. In this respect we are liable for damage in cases of intent, gross negligence and injuries to life, body or health for which we are responsible according to the legal regulations. In addition, if by simple negligence we violate a significant or fundamental contractual obligation (meaning obligations, the fulfilment of which enable the orderly execution of the contract, or the compliance with which the ordering party may routinely rely upon, and obligations, the infringement of which puts the object of the contract at risk), our obligation for compensation is limited to contractually typical, foreseeable damages.

10.2. In any other cases of liability, claims for damages due to the infringement of a contractual obligation or to unauthorised actions are excluded to the extent that we are not liable for consequential damages or additional expenses, lost profits or other financial losses suffered by the ordering party in particular.

10.3. Insofar as our liability is excluded or restricted due to the above regulations, this shall also apply to the personal liability of our employees, representatives and vicarious agents.

10.4. Our proposals as regards construction work and materials are provided according to the best of our knowledge. We are only liable in the context of the above clauses 10.1 & 10.2.

11. Export controls, obligations of the ordering party

11.1. We draw attention to the fact that the transfer / export of items (goods, software, technology) in the fulfilment of this contract is subject to European and German foreign trade laws, and that the delivery can be subject to legal export control restrictions and prohibitions. The relevant legal requirements entail EC Regulation No. 428/2009 (Dual Use Regulation) and its annexes, the German Foreign Trade and Payments Law (AWG), the German Foreign Trade and Payments Ordinance (AWV) and the German Export List. Furthermore, European and national embargo requirements are in place against certain countries and persons, that may ban a delivery or render it subject to authorisation. Items which have been manufactured in the USA, items containing components of US origin which account for 10 to 25% of their content, as well as items made by US controlled companies can be subject to US (re-) export law in addition to the aforementioned laws and regulations.

11.2. The ordering party undertakes to accept and comply with the European and German export control regulations as well as the US (re-) export requirements to the extent that the export / transfer is subject to US law. In particular, the ordering party undertakes that they will not allow the goods to enter into either a direct or indirect form of use which is in any way related to the development, manufacturing, use, operation, maintenance, storage, sourcing, identification or distribution of chemical, biological or nuclear weapons and their delivery systems unless they are in possession of the required licences. They also undertake to ensure that the items are not put either directly or indirectly to a military end-use in a country which is subject to an arms embargo pursuant to art. 4 (2) of EC Regulation No. 428/2009, in a country entered on countries list K or in the People's Republic of China unless they hold the required licences. Furthermore, they undertake to ensure that the goods are not put either directly or indirectly to a nuclear use for civil purposes in countries which are referred to in section 5 d (1) of AWV unless they hold the necessary licences. The ordering party undertakes that they will not sell, export, re-export, deliver or forward the delivered items to persons,

companies, institutions, organisations or in countries either directly or indirectly, or otherwise provide access to them insofar as this infringes the legal European, German and US (re-) export regulations. In the case of the resale / forwarding of the delivered items, the ordering party undertakes to instruct their customer of the export control regulations and the resulting obligations. We are entitled to request so-called end-use documents from the ordering party so as to be able to prove the end use and the intended purpose. The ordering party acknowledges that the legal regulations stated in clause 1 are subject to constant changes and amendments and are applicable to the contract as amended. The ordering party must inform themselves of the specific regulations and is individually responsible for complying with them.

11.3. The ordering party is fully liable to us for any damages which we may suffer due to the culpable failure of the ordering party to comply with the European, German and US (re-) exporting regulations.

12. Trademarks, industrial property rights, labels of origin, tools

12.1. Labels of origin or identification marks on our goods may not be changed or removed without our written approval.

12.2. Trademarks and/or brand names under which our goods are delivered may not be used by the ordering party for any products that are made from such goods or for other purposes (including but not limited to advertising) without our written approval.

12.3. We retain the ownership rights and copyrights to samples, images, drawings, other documentation and tools. This also applies if the cost components for such items are compensated by the ordering party.

12.4. If the manufacturing and/or delivery occurs according to the drawing or other details of the ordering party and if industrial property rights are infringed as a result, the ordering party exempts us from all liability claims made by third parties.

12.5. We are entitled to destroy all tools, sketches, drafts and other auxiliary products in our possession 3 years after their last case of use.

13. Place of fulfilment, court of jurisdiction, applicable law

13.1. The place of fulfilment and sole court of jurisdiction for all disputes arising from this contractual relationship is our place of business in Heilbronn. We are however also entitled to file our claims at the general court of jurisdiction of the ordering party.

13.2. The laws of the Federal Republic of Germany apply to the exclusion of the conflict of laws provisions. The application of the United Nations Convention on Contracts for the International Sale of Goods dating from 1 April 1980 is excluded.

Validity: December 2018