

The Terms of Purchase shall apply to all orders. Fulfillment of our order shall be deemed acceptance of our Terms even if the Supplier has confirmed our order referring to deviating terms and conditions.

#### 1. Order

Only orders in writing provided with signatures shall be binding on us.

Oral, telephone or facsimile orders and declarations shall only become binding upon our confirmation in writing – exceptions in the interest of speeding up the business must be agreed separately.

Drawings, models, samples, dies, matrices, tools and devices etc., which have been provided by us, shall remain our property respectively shall become our property if they have been made on our request. Supplier expressly undertakes not to allow access to such objects to third parties nor to use them indirectly as documents for supplies to third parties without our written consent. Such objects shall, as long as they are in the custody of Supplier, be insured against theft and fire without any costs for us. This shall apply for materials provided by us, too. Before using a drawing, device, model etc. provided by John Crane Bearing Technology GmbH, the Supplier shall check it for compliance with technical requirements.

#### 2. Prices

Unless agreed otherwise, prices shall be fixed prices exclusive of packaging. Packaging shall be returned only if this has been agreed separately. If prices per kilogram have been agreed, the weight established by the railway operator or by us shall be controlling. If prices are not stated in our order but given afterwards by Supplier, an agreement on prices shall only come into force when we accept that price.

#### 3. Order Confirmation

Any order shall be confirmed by Supplier immediately, stating our order number. Thereby, our Terms of Purchase shall be deemed accepted, even if such is not stated expressly. If we maintain silence in view of possible deviations in the order confirmation, this shall not be deemed approval.

#### 4. Time of Delivery

Time periods or dates for delivery stated in our order shall be binding and be deemed applying to arrival at the point of receipt. In case of delays, we shall be entitled, without reminders or setting of grace periods, at our discretion to rescind the order or to claim damages for non-performance or to procure alternative supplies with third parties, without prejudice to any further more extensive claims. In such case, Supplier shall bear our additional costs. As soon as Supplier becomes aware of circumstances which might result in a delay in delivery, we shall be informed immediately. If shipments have to be delivered more quickly due to the fault of Supplier, additional cost arising therefrom shall be borne by Supplier.

All costs caused by delayed supplies or services shall be reimbursed to us by the Supplier. Acceptance of delayed supplies or services shall not imply a waiver of damages or remedies.

Deliveries shall be DDP (Incoterms 2010) i.e. at cost and risk of the Supplier to the destination stated by us. Packaging shall be included in the price agreed. Packaging material shall be taken back by Supplier as provided in the Packaging Regulation gratuitously. Place of performance for the obligation to take back packaging shall be the place of delivery of the supplies.

Deliveries in part shall only be accepted upon express written agreement. If deliveries in part have been agreed, the remaining quantity to be supplied shall be stated with every delivery.

To the extent deliveries are made before the agreed date of delivery, we reserve the right to return supplies at the cost of Supplier. Otherwise, supplies shall be stored at our premises until the date of delivery at the cost and risk of Supplier.

#### 5. Dispatch

Our instructions for shipment shall be complied with as accurately as possible. Immediately upon dispatch of supplies, we shall be informed by notice of dispatch in two copies stating the order number, the date of the order as well as detailing quantities and weight in writing.

Railway waybills, bills of lading, receipts of posting, delivery notes, freight notes, dispatch notes, delivery slips and packing slips to be added to shipments also have to contain the required statements. Transport insurance shall be taken out by Supplier, unless agreed otherwise.

#### 6. Invoice and Payment

Invoices relating to any order also have to contain all statements of order and position numbers. Invoices shall be provided in as many copies as requested when the order was placed. Invoices in which complete signs and numbers of the order are missing shall be deemed not issued until they are clarified by the Supplier. VAT shall be shown separately in the invoice. We shall pay – unless agreed otherwise – within 14 days beginning by receipt of the supplies respectively receipt of the invoice with a discount of 3%, respectively within 30 days with discount of 2%, respectively within 60 days net.

Complaints about the supplies shall allow us to withhold payments due. Advance payments shall be made under reserve of orderly receipt of supplies.

Accounts receivable against us may only be assigned if we have given our prior written consent.

#### 7. Warranty

Supplier shall warrant for his supplies according to statutory law, unless agreed otherwise. He shall replace supplies, too, if possible defects are not immediately visible or may be detected later on only, as soon as defects are remarked. Freight for returns and replacement deliveries shall be borne by the Supplier. In urgent cases or if Supplier is in delay with his warranty obligations, we shall without any

further requirements be entitled to rectify defects ourselves at the cost of Supplier or have them rectified, without prejudice to our other rights. We may have accepted supplies we have ordered by our authorized agent on site of the Supplier. Such acceptance shall not relieve the Supplier from his warranty obligations. Furthermore, we reserve to inspect production facilities of Supplier at any time.

Supplier shall be liable for all damages and disadvantages arising to us out of infringement of third party intellectual property rights in the use, installation or resale of supplies made to us. We shall be entitled to make use of supplies possible by paying off the third party which asserts its rights at the cost of Supplier.

#### 8. Quality Assurance

Supplier shall conduct quality assurance appropriate in character and scope and in line with the most recent state of the art and provide us evidence thereof upon request.

If necessary, Supplier shall conclude a respective separate quality assurance agreement with us.

#### 9. Retention of Title, Assignment of Claims

Rules on a retention of title shall only be binding if such retention was agreed in writing without our General Terms and Conditions or the terms and conditions of the Supplier.

Accounts receivable against us may only be assigned with our prior written consent. If the Supplier assigns its accounts receivable against us without our consent to a third party, we shall be entitled to settle such accounts receivable at our discretion either to the third party or to the Supplier.

Supplier may set off against our claims with undisputed or finally adjudicated claims or assert withholding rights only based upon such undisputed or finally adjudicated claims.

#### 10. Integrity Clause

John Crane Bearing Technology GmbH and Supplier undertake to take all measures necessary to prevent corruption and other criminal acts. Namely, they undertake to take all precautionary measures in their businesses to avoid serious infringements, namely against criminal laws, competition law, environmental law, occupational health and safety law and generally accepted standards of good practice. They undertake furthermore to oblige affiliated businesses, employees, sub-contractors and suppliers appropriately to comply with these rules and to ensure compliance, too. A detailed code of conduct is available for download under [www.smiths-group.com](http://www.smiths-group.com). At this address, complaints against John Crane Bearing Technology GmbH may be placed, too.

#### 11. Place of Performance and Court of Venue

Place of Performance for all supplies is the place where the supplies have to be delivered under the relevant order. Exclusive court of venue shall be Göttingen.