

## Article 1: Definitions

Unless expressly indicated otherwise, the capitalized terms as used herein shall have the following meanings. Agreement: the agreement between FAULHABER and the Buyer relating to the purchase, sale and delivery of the Products;

Buyer: any private individual or legal entity having entered, or wishing to enter, into an Agreement with FAULHABER;

Conditions: these general conditions;

FAULHABER: FAULHABER Benelux B.V., having its registered office in Eindhoven, the Netherlands, as well as any of its affiliated legal entities;

In Writing: by letter, by telefax or electronically;

Order: any instructions of the Buyer issued to FAULHABER in writing, orally or electronically, relating to the supply of the Products;

Party/Parties: FAULHABER and the Buyer, jointly or each individually;

Product(s): any products marketed by FAULHABER.

## Article 2: Scope of application and formation of Agreements

- The provisions of these Conditions shall apply to all quotations issued by FAULHABER (including but not limited to offers or requests for offers) and the Agreements entered into and to be entered into by it, to the extent not expressly agreed otherwise between the Parties In Writing.
- The applicability of the Buyer's general conditions is hereby explicitly waived. By the mere entering into an Agreement the Buyer waives any general conditions on its part, so that all Agreements shall be governed exclusively by the present Conditions.
- Any derogations from these Conditions shall be binding on FAULHABER only if and to the extent confirmed by FAULHABER In Writing and only in respect of the offers and Agreements to which they apply. With respect to the other offers and Agreements these Conditions shall remain in full force and effect.
- In the event of conflict between the provisions of the Conditions and any Agreement, the Agreement shall prevail.
- The invalidity, unlawfulness or unenforceability of any of the provisions of these Conditions shall not affect the validity of the remaining provisions. In such event the Parties shall mutually negotiate a new provision to replace the invalid or unenforceable provision, taking into account the purport of the original provision to the extent possible.
- All offers, made in any form whatsoever, shall be without engagement and may be revoked at any time. The same holds true if they set a term for acceptance. They shall not be binding on FAULHABER and shall constitute only an invitation to place an Order, unless expressly provided otherwise by FAULHABER In Writing. FAULHABER shall be authorized, if deemed necessary or conducive to proper execution of the Order placed, to engage third parties in the performance of the Agreement, the costs of which shall be passed on to the Buyer in accordance with the quotation provided.
- All descriptions, illustrations and/or samples, etc., used by FAULHABER to inform the Buyer of the Products to be offered and their possible use, including advertisements and price lists, shall merely serve to give a general impression of the Products. Such information shall not form part of the Agreement between the Parties and the Buyer cannot derive any rights from it.
- If the Buyer acts in the course of a profession or business, Articles 6:227b (1) and 6:227c of the Netherlands Civil Code [Burgerlijk Wetboek - BW] shall not apply.

## Article 3: Price and payment

- Unless agreed otherwise In Writing in the relevant Agreement the prices quoted by FAULHABER shall be exclusive of BTW (Dutch VAT), import duties and other taxes, levies or duties and costs of packaging.
- Invoices shall be due for payment within 30 days after receipt of invoice, net.
- Bills of exchange shall only be accepted as payment subject to a separate agreement; discounts and expenses shall be charged at the customary bank rate.
- In case of late or incorrect payment, the Buyer shall be in default by operation of law, without any further notice of default being required, as from expiry of the payment term, as from which time the Buyer shall pay interest on the payable amount (including BTW) equal to the statutory interest for commercial agreements as referred to in Article 6:119a BW and 6:120 BW.
- If the Buyer is in default in the performance of one or more of its obligations, all extrajudicial costs shall be payable by the Buyer, equal to the higher of 15% of the principal sum claimed (exclusive of interest) or the actual costs of collection.
- If the Buyer is of the opinion that the amounts invoiced to it by FAULHABER are incorrect, it shall object In Writing within eight (8) days of the date of the invoice, specifying its objections, failing which the Buyer shall forfeit its right to object to the amount or composition of the invoice.
- The Buyer is not entitled to set off claims or assert a right of retention unless the Buyer's claims is undisputed or has been declared final and absolute by a court.
- The prices of Products used by FAULHABER shall be confirmed in the order confirmation and shall be based on the price-determining factors known at the time of formation of the Agreement. Any discounts granted shall apply exclusively to the Agreements to which they have expressly been declared applicable.
- FAULHABER shall be authorized to pass on to the Buyer any changes in cost-price factors relating to the Agreement, including but not limited to prices of (raw) materials and auxiliary materials, costs of labour, energy and transport, insurance premiums, exchange rates, taxes, levies or other government measures. FAULHABER shall notify the Buyer of price changes, if any.
- After communication of the price adjustment as referred to in paragraph 9 of this article, the Buyer shall be entitled to dissolve the Agreement if FAULHABER's adjustment of the stipulated price takes place within three (3) months of entering into the Agreement. Dissolution by the Buyer shall be effected In Writing within one (1) week of notification of a price adjustment. Absent the Buyer's dissolution of the Agreement In Writing within one (1) week of notification of the price adjustment, the Parties shall be deemed to have reached agreement on the price increase communicated by FAULHABER.

## Article 4: Delivery/Risk and Delivery Times

- Unless agreed otherwise In Writing, delivery shall be Ex Works (Incoterms 2010) FAULHABER's production facility.
- FAULHABER shall be entitled to deliver in consignments (partial deliveries), which consignments may be invoiced separately. In such event the Buyer shall arrange payment in accordance with the provisions of article 3.
- Delivery times stated shall be estimates only. In no event shall the delivery times stated be deemed to be firm dates, unless expressly agreed otherwise In Writing. FAULHABER shall at all times be entitled to deliver the Products to the Buyer prior to the delivery date stated.
- In the event that any delivery time is exceeded, FAULHABER shall not be liable to pay any compensation. After a delivery time is exceeded by at least two (2) months, the Buyer may give FAULHABER written notice of default by registered letter, granting a final (reasonable) term for delivery. If delivery does not take place as yet within the term set, the Buyer shall be entitled to dissolve the Agreement, unless FAULHABER is subject to force majeure (see article 9 hereof). In no event, however, shall the Buyer be entitled to any penalty or damages.
- Any assignments by the Buyer for FAULHABER to transport, ship and/or insure the Products shall be performed by FAULHABER only if the Buyer has declared In Writing that it will pay the associated costs and bear the resulting (additional) risk and cover such risk by means of (additional) insurance, all without prejudice to the provisions of this article.
- Cancellation of an Agreement by the Buyer shall, in principle, not be possible. If, nevertheless, the Buyer cancels all or part of an Agreement, it shall pay to FAULHABER - in addition to compensation of damage as a result of the cancellation - the price of the Products that FAULHABER cannot reasonably sell and deliver to a third party (e.g. if the Products were specifically manufactured for the Buyer), or - if the Products can be sold and delivered to a third party or if, for any reason whatsoever, payment in full is not an option - 50% of the price of the relevant Products by way of cancellation costs.

## Article 5: Retention of Title

- Without prejudice to the provisions of article 4, in respect of transfer of risk, title to the delivered Products shall not pass to the Buyer until the Buyer has performed its payment obligations under the Agreement underlying the delivery, including damages, costs, interest and penalties, if any, even if security for payment has been provided.
- As long as the Buyer has not performed the foregoing payment obligations, the Buyer shall not be entitled to grant third parties a right of pledge or non-possession pledge in respect of the Products delivered by FAULHABER, or to borrow money on or rent out such Products, or in any way or by any title whatsoever surrender control of such Products, save as provided in paragraph 3 of this article. In the event of attachment of the delivered Products by a third party, on any ground whatsoever, the Buyer shall immediately notify FAULHABER In Writing.
- As long as the Buyer has not paid the debts referred to above, the Buyer may use, process or sell the Products in the normal course of its business, provided that, until such time as the Buyer has fully paid the Products, FAULHABER shall take the Buyer's place in respect of the latter's rights vis-à-vis its buyer or buyers. The said rights shall expressly include all claims against such buyers. The Buyer hereby, now for then, assigns such rights to FAULHABER, which assignment FAULHABER hereby accepts now for then.

- If the Buyer fails to perform its obligations or if there is a reasonable fear that it will not do so, FAULHABER shall be entitled to remove or cause the removal of the Products delivered subject to the retention of title as referred to in paragraph 1 of this article from the Buyer or from any third parties. The Buyer shall be under obligation to render all assistance in this respect, on pain of forfeiture of a penalty equal to 15% of the (invoice) amount due by it per day or part of a day.

## Article 6: Complaints

- Promptly upon taking delivery of the Products, the Buyer shall inspect the quantities and types of Products, as well as the packing, for possible irregularities, shortages and/or damage, and inspect the Products for possible defects and/or damage.
- The Buyer shall immediately state any complaints about quantities, types and packing of the Products on the shipping document or delivery note, on pain of forfeiture of the right to complain. Any visible defects to the Products and/or packing shall be reported In Writing as soon as possible, but in any event within five (5) work days of receipt of the Products, accurately stating the nature of and ground for the complaints, failing which the Buyer shall be deemed to have accepted the Products.
- Putting the Products into operation or processing or reselling the Products shall be deemed to constitute acceptance by the Buyer.
- The provisions of paragraphs 2 and 3 shall not affect the Buyer's rights in the event of hidden defects. The Buyer shall report any hidden defects In Writing to FAULHABER within five (5) work days after they have been, or could reasonably be, discovered, but in no event later than six (6) months after receipt of the Products.
- In the event of a complaint the Buyer shall keep the Products complained about at FAULHABER's disposal for further inspection. Furthermore, the Buyer shall also otherwise render its cooperation in a possible inspection of the Products by FAULHABER and grant FAULHABER access to its premises for that purpose.
- A complaint shall not entitle the Buyer to suspend its payment or other obligations vis-à-vis FAULHABER and/or to invoke setoff.
- The Products may be returned only with the prior written consent of FAULHABER, on conditions subsequently to be determined by FAULHABER relating, inter alia, to the costs and method of return. In the event that the Products are returned without FAULHABER's consent, shipment and storage of the Products shall be at the Buyer's expense and risk.

## Article 7: Warranty

- FAULHABER warrants that at the time of delivery the Products conform to the agreed quantities and types and the applicable product specifications as set forth in the Agreement. The warranty period is 12 months after the date of the first delivery of the Product. For a warranty claim to be valid (i) notification must be made before the end of the warranty period; (ii) conform to any additional stipulations of the warranty period, as defined below; (iii) must be substantiated with original proof of purchase, including the serial number of the Product(s).
- The warranty shall exclusively mean that FAULHABER - at FAULHABER's discretion - is under the obligation to deliver as yet any missing Products, to replace or repair the delivered Products, or if such subsequent remedy is only possible by incurring unreasonable costs, to take back the Products and credit the Buyer for the relevant invoice amount, as well as to reimburse the costs related to return of the Products. In no event shall FAULHABER be under any further obligation, including an obligation to reimburse any other costs, or pay damages and/or interest.
- Any documentation (including brochures), disclaimers, recommendations for use and properties of the Products delivered, other recommendations and support shall be provided by FAULHABER to the best of its knowledge and ability. FAULHABER does not warrant that the information thus obtained is correct and complete and shall not be liable to the Buyer in that respect in any way whatsoever.
- Any other conditions and warranties relating to the quality of the Products or their fitness for their intended use, either individually or combined with other materials, shall apply only if agreed In Writing between the Parties.
- All warranty claims shall expire if the Buyer processes, incorporates or modifies the Products delivered without FAULHABER's prior consent In Writing.

## Article 8: Liability

- FAULHABER's entire liability to the Buyer shall be limited to performance of FAULHABER's obligations as described in articles 6 and 7.
- In no event shall FAULHABER be liable for any damage as a result of use of the Products by the Buyer or by third parties, unless due to wilful misconduct or gross negligence for which FAULHABER is liable. Liability for damage caused by non-managerial staff of FAULHABER or third parties engaged by it, indirect damage, consequential damage, non-material damage, trading loss or environmental damage, including lost turnover and profit, losses incurred, loss of market share, stagnation in production, investments made, goodwill acquired, damage to reputation, etc., is also expressly excluded. 3. If and to the extent that, despite the provisions of paragraphs 1 and 2 of this article, FAULHABER is still liable on any basis whatsoever, such liability shall be limited to the amount of the net invoice value of the Products that caused the damage, provided that FAULHABER's liability shall at all times be limited to a maximum amount of EUR 250,000 (in words: two hundred and fifty thousand euros) per Agreement.
- The Buyer shall indemnify FAULHABER against any third-party claims, by any title whatsoever, that may arise in connection with Products delivered by the Buyer to such third parties, unless it is established in court that such claims are the result of product liability and the Buyer also demonstrates that it is not to blame in any way whatsoever.
- A right of action to claim damages becomes prescribed on the expiry of one year from the day the Buyer becomes aware of the inflicted damage.

## Article 9: Force Majeure

- Force majeure shall be taken to mean any circumstances with respect to persons and/or materials used, or habitually used, by FAULHABER in the performance of the Agreement, of such a nature that they render performance of the Agreement impossible or burdensome and/or disproportionately expensive to such an extent that FAULHABER can no longer or not immediately be required to perform the Agreement.
- In any event force majeure shall include but not be limited to: war and comparable situations; government measures; strike; exclusion; obstruction by third parties; transport problems, including delays at country borders; technical complications unforeseen by the Parties; stagnation as a result of time lost through frost and other weather conditions; fire, explosion, other serious malfunctions at FAULHABER's business that do not come under FAULHABER's scope of risk, and the situation where a performance to be rendered by a third party that is important to the performance to be rendered by FAULHABER is not rendered, or not rendered properly or in good time.
- During a situation of force majeure FAULHABER's delivery and other obligations shall be suspended. If the period during which performance by FAULHABER of its obligations is impossible due to force majeure continues for more than one (1) month, FAULHABER shall be entitled to dissolve the Agreement without any liability arising to pay damages.
- The Buyer, however, shall not be entitled to dissolve the Agreement, unless the Buyer can demonstrate that earlier performance is essential to its business operations. In such event dissolution shall be effected In Writing within five (5) days of expiry of the term of one (1) month.
- If, upon occurrence of the situation of force majeure, FAULHABER had already partially performed its obligations or can only partially perform its obligations, it shall be entitled to invoice the part already delivered and/or the part to be delivered separately, and the Buyer shall be under the obligation to pay the relevant invoice as if it were a separate agreement. The foregoing does, however, not apply if the part already delivered and/or to be delivered has no independent value.

## Article 10: Intellectual and Industrial Property

- FAULHABER shall be the exclusive owner of all intellectual and industrial property rights in the Product, packing, user instructions, etc., and/or that can be enforced, and/or may be obtained in connection with the Product, packing, user instructions, etc. The Buyer shall not be entitled to use the packing and/or user instructions, etc. without FAULHABER's express written consent.
- The Buyer shall promptly and specifically notify FAULHABER of any infringement of FAULHABER's intellectual property rights, of any nature whatsoever that may come to its knowledge. Furthermore, the Buyer shall indemnify FAULHABER against any claims as a result of any form of infringement of the said rights and compensate FAULHABER for any damage as a result of any infringement. In the event of alleged or actual infringement, FAULHABER shall immediately be entitled to suspend performance of all or part of the Agreement or terminate the Agreement forthwith.

## Article 11: Applicable Law and Disputes

- The offers, Agreements and these Conditions themselves shall be governed by the laws of the Netherlands, with the exclusion of the Convention on International Sales of Goods 1980.
- Any disputes, including disputes that are considered as such by one of the Parties only, as a result of, or in connection with, an Agreement governed by these Conditions, or the relevant Conditions themselves and their interpretation or implementation, either of a factual or of a legal nature, shall be decided by the competent court in the district of Oost-Brabant, location Eindhoven, the Netherlands, without prejudice to FAULHABER's right to submit a dispute to the court in the district where the Buyer is based.