

General Terms for the Sale and Supply of Gearboxes and Transmission Elements

1. Tender and extent of delivery

Tenders are subject to change without notice. An order shall only be deemed to have been accepted if it has been confirmed in writing by the supplier. For the extent of the delivery, the written order confirmation by the supplier shall be authoritative. Alterations, additions, or verbal agreements must also be acknowledged in writing by the supplier. Documentation contained in printed material, in the tender or in the order confirmation, such as illustrations, descriptions and drawings and indications of size and weight shall be understood as approximations insofar as they are not expressly described as binding. Overweights, underweights and variations in quantities delivered which are within the normally acceptable limits of trading shall not be deemed to justify rejections or price reductions. The Customer shall assume full responsibility for documentation to be supplied by him such as drawings, models, gauges, samples or similar items.

2. General quality of execution

If not otherwise agreed, borings and shaft seatings shall be manufactured to comply with DIN 867 (angle of action 20°). Other pitches and angles of action must be specially agreed. The quality of gear cutting shall comply with DIN 3961-67, Issue of August 1978. Classification shall be carried out by the Supplier insofar as the Customer has not specified special values in his enquiry documents.

3. Machining of submitted components

Components intended for machining only must be dispatched carriage paid to the contractor (The Supplier), well packed insofar as required and accompanied by a packing note. A notification of dispatch must be sent to the contractor indicating his job number. The mechanical characteristics of the material to be machined must be indicated precisely; these must guarantee the best possible machinability. Premachined components must be delivered accurately dimensioned and true running. Parts to be reamed must not be finally machined and must possess surplus tolerance for the finishing cut. If the preconditions are not fulfilled, the contractor can charge for the expense of additional work and for prematurely worn or damaged tools or he may withdraw from the contract, in which case the Customer must pay the corresponding portion of the contract price and the additional costs mentioned above. Tools and gauges not corresponding to the normal range of the contractor and special chuck devices shall be charged proportionately and shall remain the property of the contractor.

Incorrectly premachined hub bodies can be remachined without consultation of the Customer or be sent back. ---Hub bodies submitted for gear cutting only shall only be deburred if this has been expressly agreed.

Waste material from the parts submitted for machining shall become the property of the contractor; the equivalent value for this has already been taken into account in pricing.

4. Prices and conditions of payment

Prices are understood to be ex works and do not include packing, freight, carriage and insurance.

Packaging and dispatch shall be at the discretion of the Supplier, but excluding any further obligation on his part. Insurance against transport damage shall only be concluded at the express wish of the Customer and his expense. In the case of freight-free return dispatch of undamaged packaging material, half the price charged shall be credited.

Payments, insofar as not otherwise agreed, shall be made cash without deductions, free to the registered office of the Supplier:

- net, on the 15th of the month following delivery or notification of completion;
- in the case of a first-time business transaction, of repairs or similar, in advance or by packing credit;
- smaller sums are accepted cash on delivery;
- in the case of deliveries abroad, by special agreement.

The payments in the case of major deliveries shall be carried out, if not otherwise agreed:

- one third on receipt of the order confirmation
- one third on dispatch or notification of readiness for dispatch,
- one third thirty days after the billing date.

Partial deliveries shall be billed immediately.

Installation costs shall be payable immediately on receipt of the bill.

Cheques and bills of exchange shall only be applicable on encashment in payment. Bill charges shall be borne by the customer.

In cases where the agreed time limits are exceeded, a sum in compensation for default in the amount of the relevant bank interest and charges for open commercial credits shall be charged without the need for a special reminder and with reservation of the right to assertion of further rights.

The withholding of payments or the setting off of unacknowledged counterclaims by the Customer is hereby excluded. Default of payment by the Customer or insufficient notification shall entitle the Supplier to demand advance payments for outstanding deliveries of all current orders.

Should a stay of the contract be agreed, the specified price, after deduction of the direct costs for the partial work still to be carried out by the Supplier to complete the manufacture of the parts ordered, shall be payable immediately.

5. Reservation of title

The Supplier shall reserve his ownership of the article supplied up to receipt of all contractual payments. The Customer may neither pledge the article supplied nor assign it as security. In the case of its pledging, confiscation or other dispositions by a third party, he shall inform the supplier without delay. The assertion of this reservation of title and the pledging of the supplied article by the Supplier shall not be deemed to be a withdrawal from an unfulfilled purchase contract. Should goods of the supplier be combined by the Customer with other articles to produce a single item, it is hereby declared and agreed that the Customer shall assign to the Supplier proportionate joint ownership in the sense of § 947, Paragraph 1, German Civil Code and shall hold the item in safekeeping for him.

6. Delivery Period, delay in delivery

The delivery period is determined as agreed by the contracting parties. The delivery date cannot be specified until all commercial and technical issues between the contracting parties have been resolved and the customer has fulfilled all incumbent obligations, such as submission of the required certificates or permits from the authorities or the receipt of an advance payment. The date specified by the supplier in the order confirmation shall be deemed binding, if the order remains unchanged.

Any subsequent change to the order – whether of a technical or commercial nature – shall automatically invalidate the delivery date originally agreed upon or stated in the order confirmation. It is the obligation of the customer to coordinate a new delivery date with the supplier as the result of a change in the order by the customer. The rules for determining the new delivery date are laid down in sentence 2 of this paragraph. A changed delivery date shall not become binding until it has been confirmed in writing by the supplier. The delivery period shall be prolonged correspondingly on the occurrence of unforeseen hindrances beyond the control of the Supplier, regardless of whether they occur in his own works or in those of a subcontractor, such as acts of God, official actions and other non-culpable delays in the manufacture of parts to be supplied, operational interruptions, reject production, delays in the delivery of essential construction and raw materials, insofar as such hindrances can be shown to have a major influence on the manufacture or delivery of the goods to be supplied. Such hindrances shall also not be deemed to be the responsibility of the Supplier if they occur during a delay which is already in progress. Compensation for default shall not be allowed.

Should the delivery be delayed for reasons beyond the control of the Supplier, the Customer shall be charged every month, commencing one month after announcement of readiness for dispatch, with the costs incurred for storage in the works of the Supplier, in any case at least 1/2 per cent of the invoice sum applicable to the stored parts. The Supplier shall also be entitled to store the goods outside his works.

7. Passing of risk

The risk shall pass to the Customer at latest when the parts to be supplied are dispatched from works, even in the exceptional case that freight-free delivery and installation has been agreed.

Should dispatch be delayed by circumstances beyond the control of the Supplier, the risk shall pass to the Customer from date of readiness for dispatch. Shipping discrepancies must be reported to the Supplier in writing immediately on receipt of the goods.

8. Liability for deficiencies in the Delivery

The Supplier shall be liable for deficiencies in the delivery, including the lack of expressly guaranteed characteristics, with the exclusion of further claims, as follows: All those parts shall be repaired or supplied new free of charge at the discretion of the Supplier which, within 6 months or, in the case of day and night operation, within 3 months from the date of the passing of risks, can be shown, as a result of a circumstance existing before the passing of risk, to have proved unserviceable or whose serviceability is appreciably impaired, in particular, as a consequence of poor construction material procured by the Supplier or of faulty execution. Precondition is the fulfilment of the contractual obligations required of the Customer, in particular of the agreed conditions of payment. The discovery of such a deficiency shall be declared to Supplier without delay and in writing. The right of the Customer to claim for deficiencies shall lapse in all cases on completion of the guarantee period. In the case of non-use, all guarantees shall lapse 12 months after delivery.

The Customer shall allow the Supplier free of charge the time and opportunity to carry out all alterations which appear to the Supplier to be necessary or to provide a replacement. Rejected goods shall only be returned to the Supplier on demand.

Freight costs for rejected parts shall be borne by the Customer.

Replaced parts shall become the property of the Supplier.

No liability is accepted for parts supplied which have been damaged or subject to premature wear as a result of their material constitution, the nature of their use, as a result of nature wear, incorrect or negligent treatment, excessive loading, unsuitable lubricant or coolant, chemical or electrochemical, atmospheric or natural influences.

For third party products, the liability of the Supplier shall be restricted to the assignment of claims for liability due to him against the Supplier of the third party product. The results obtained on the Supplier's test rig shall be authoritative for the running characteristics of the gear units. The Supplier shall assume no liability for malfunctions arising due to the installation conditions or improper care. In the case of supply of single parts, the Supplier shall only be liable for execution in accordance with the drawings.

Liability for repair work or replacement parts supplied shall only exist until expiry of the guarantee period for the original delivery. Liability shall lapse if reworking, modifications or repair work are carried out without prior approval of the Supplier. All further claims of the Customer, regardless of their legal basis, in particular for compensation for direct or indirect damage and for dismantling and installation costs, shall be excluded.

9. Paid work

For paid work, our General Conditions of Supply and Payment shall apply, insofar as not otherwise provided for in these Supplementary Conditions:

- The Customer shall deliver the material and the necessary technical documentation promptly and at his own expense.
- The material must be faultless and comply with the specified values. If machining has been agreed, it must have the normal premachining tolerances.
- Additional costs and damage arising from the material not complying with the requirement in Item 2 (e.g. in the case of porosity, sand inclusions, brittleness, hardness or other circumstances which render the work more expensive) shall be billed in addition.
- Scrap, swarf and other waste shall become our property. Its value has been taken into account in the pricing.
- Accounts shall be payable immediately on their receipt with exclusion of set-off and withholding rights, net and without deductions.
- We provide a guarantee for the proper and diligent execution of work undertaken by us. However, we assume no liability for damages resulting from defects in the material or from faults in the technical specifications or other documentations. In the case of justified complaints received in the correct form and within the specified time limit, we shall fulfil our obligation by carrying out a repair. Should the material become unserviceable as a result of a material fault or otherwise for reasons for which we are not to blame. The costs incurred up to the time of discovery of the defect shall be reimbursed to us by the Customer. Should the material become unserviceable for reasons for which we are responsible, we shall assume the costs incurred by us up to the time of discovery of the defect. We are prepared to accept for machining replacement material sent to us free of charge under the conditions of this contract.

All other claims, especially for compensation for damages and replacement of material, regardless of their legal basis, are hereby excluded.

10. Right of withdrawal

The Customer shall have the right of withdrawal from the contract if it becomes completely impossible for the Supplier to make the delivery, if the defaulting Supplier has culpably exceeded an adequate supplementary time limit imposed on him with threat of withdrawal, if the Supplier has culpably ignored adequate notification of demand for the rectification of a fault for which he is responsible in terms of the Conditions of Supply or if the repair has proved to be impossible.

Unforeseen circumstances in the sense of Item 6 which lead to an exceeding of the agreed delivery date shall entitle the Supplier, under exclusion of all claims by the Customer, to full or partial withdrawal from the contract if the economic circumstances have changed to such a major degree since granting of the order that its fulfilment cannot reasonably be expected of the Supplier.

This shall also apply if at first a prolongation of the delivery period had been agreed. Apart from the above right of withdrawal and the claims for damages and assert no other claims against the Supplier for any prejudicial consequences in connection with the supply contract or the goods supplied, regardless of their legal basis, can be asserted.

11. Place of fulfilment and court of jurisdiction

Place of fulfilment for both parties shall be the registered office of the Supplier.

The sole court of jurisdiction for all disputes arising indirectly or directly from this contract shall be the principal place of business of the Supplier. The Supplier shall also be entitled to take legal action at the principal place of business of the Customer. This contract shall be subject to German law.

Conditions set by the Customer which contradict these Conditions of Supply shall not be binding upon the Supplier, even if they formed the basis of the order and the Supplier has not expressly repudiated their contents.