

## Standard Terms and Conditions

### 1. General

1.1 The documents for the proposal, such as illustrations, drawings, descriptions as well as weight and measurement data are approximate only unless marked expressly as binding. With coat estimates, drawings and other documents Gleason Switzerland AG reserves the rights of ownership and copyrights. They may not be revealed to third parties.

1.2 Proposals without specified time limit for acceptance are without obligation.

1.3 The contract shall be deemed to have been entered into upon receipt of Gleason Switzerland AG written acknowledgement stating its acceptance of the order.

1.4 These general conditions of sale shall be binding if declared applicable in the tender or in the order acknowledgement. Any conditions stipulated by the purchaser which are in contradiction to these general conditions of sale shall only be valid if expressly acknowledged by Gleason Switzerland AG in writing.

2. Scope and delivery For the scope of delivery the written order acknowledgement from Gleason Switzerland AG is decisive; in the instance of a quotation from Gleason Switzerland AG with a specified time limit for acceptance and punctual acceptance, the quotation is decisive. Other arrangements and changes require Gleason- Pfauter's written confirmation.

### 3. Price and payment

3.1 The prices are net - ex factory without packaging, in the agreed upon, easily available currency and without deductions. Any other expenses incurred, such as freight, insurance, export - transit - import and other permits as well as certificates are charged to the purchaser. In addition the purchaser also pays for all taxes, fees, charges and customs duties.

3.2 If no other agreement exists, payment is to be made in cash without deductions directly to Gleason Switzerland AG's payment address as follows:

- 30 % down payment after receipt of the order acknowledgement
- 60 % as soon as the purchaser has been informed that the main parts are ready to be shipped
- the balance within one month

Day of payment is the day when Gleason Switzerland AG has the funds at their disposal.

3.3 Withholding payment or accounting of possible counterclaims disputed by Gleason Switzerland AG especially guarantee claims of the purchaser of any kind, are not permitted.

3.4 Gleason Switzerland AG charges expenses for packaging, including loading at Gleason Switzerland AG's own cost. Packaging materials for shipments within Switzerland will be taken back by Gleason Switzerland AG at one half of the invoiced amount; if it is returned in good condition, free of charge. Packaging material for export deliveries is not taken back by Gleason Switzerland AG.

3.5 The purchaser owes default interest from the due date and without special reminder at the present interest rate of the banks located at the purchaser's place of business, however at least at the interest rate of the Swiss Bank Corporation Biel for current account loans.

3.6 If the advance payment or the contractually agreed securities are not provided in accordance with the terms of the contract, Gleason Switzerland AG shall be entitled to adhere to or to terminate the contract, and shall in both cases be entitled to claim damages.

3.7 The supplies shall be deemed as taken over 60 days since delivery date

- if the customer doesn't take part at the taking-over test
- if the taking-over test cannot be carried out on the date provided for due to reasons beyond supplier's control;
- if the customer refuses the acceptance without being entitled to do so;
- if the customer refuses to sign the taking-over report prepared in accordance with Clause 12.4;
- as soon as the customer uses the supplies or services.

### 4. Retention of property rights

4.1 Gleason Switzerland AG retains right of ownership of the delivered item until all payments of the contract have been received. Gleason Switzerland AG is entitled to an entry in the property right register, as for as jurisdiction at the location provides for this. The purchaser authorizes Gleason Switzerland AG herewith to handle in his name also other formalities required at the location to substantiate the entry in the property right register.

4.2 The purchaser is under obligation to insure the item to be delivered at his expense against theft, breakage, fire, water and other damages up to the time of termination of Gleason Switzerland AG's property rights and to show proof of same to Gleason Switzerland AG. Otherwise Gleason Switzerland AG is entitled to take out insurance and charge it to the purchaser. Until all payments are received the purchaser assigns all claims against its insurer to Gleason Switzerland AG.

4.3 Only by prior written consent of Gleason Switzerland AG is the purchaser entitled to sell the delivered item still being subject to Gleason Switzerland AG's property rights. In this instance he is obligated to reserve ownership of the delivered item towards the buyer at the same conditions as Gleason Switzerland AG. Until payment is completed the purchaser already now assigns all claims, resulting from the sale against the purchaser, together with all secondary rights, to Gleason Switzerland AG.

4.4 The purchaser may not pawn the delivered item, or transfer the items for the purpose of securing a debt. If attached or seized or in case of other actions by third parties, he has to notify Gleason- Pfauter immediately.

4.5 If the purchaser acts contrary to the terms of the contract, especially if payment is delayed after a request for payment has been made, Gleason Switzerland AG is entitled to take back the merchandise and the purchaser is obligated to return the merchandise. The claim to retention of ownership, as well as the attachment of the delivered item by Gleason Switzerland AG do not count as withdrawal from the contract.

### 5. Regulations at the location of destination

5.1 The purchaser has to call Gleason Switzerland AG's attention to all regulations pertaining to delivery, installation, operation, as well as to prevention of sickness and accidents.

5.2 If these regulations at the location of destination surpass Swiss regulations, the extra cost shall be borne by the purchaser.

### 6. Delivery time

6.1 Delivery time starts when the order acknowledgement is mailed, however not before the purchaser submits all required data, (drawings, blanks. etc) permits, releases, nor before receipt of the agreed upon down payment.

6.2 The delivery time is complied with, if - before its expiration - the items to be delivered have left the factory or if notification of readiness to be shipped has been made.

6.3 The delivery time increases appropriately in cases of labor disputes, especially strikes and lock outs, and in the event of other unforeseen reasons which are beyond Gleason Switzerland AG's control, as far as these hindrances have substantial influence on the manufacture or delivery of the contractual items. This also applies if such circumstances arise at subcontractors, and also if they arise during an already present delay.

6.4 If the purchaser incurs damages because of a delay caused by Gleason Switzerland AG, the purchaser is entitled to ask for delay compensation, thereby excluding further claims. This delay compensation amounts to 1/2 % of the invoice amount of the delayed shipment for each complete week of delay, however to not more than max. 5 % of the invoiced amount of the part of the shipment, which - because of the delay - cannot be used in time or in accordance with the contract. No compensation shall be due for the first two weeks of delay.

6.5 If shipment has been delayed by order of the purchaser, or because of a delay of supplies agreed upon, or an acceptance test requested by the purchaser, Gleason Switzerland AG's is entitled to charge for storage expenses - in addition to default interest, starting one month after readiness to ship has been announced - if storage takes place in Gleason Switzerland AG's factory, however at last 1/2 % of the invoiced amount. After the fixing and expiration of a reasonable period of time, Gleason Switzerland AG is entitled to otherwise dispose of the items of the shipment and to supply the purchaser with other merchandise within a reasonably increased period of time.

6.6 Compliance with the delivery time presumes fulfillment of the contractual obligations of the purchaser.

### 7. Passage of risk, acceptance and censure

7.1 The risk passes to the purchaser as soon as the item to be shipped is ready for shipment and the purchaser has been informed of its readiness for shipment, even if partial shipments take place, or if Gleason Switzerland AG has been assigned other services, such as for example: the transportation expenses or machine set-up.

7.2 The purchaser is under obligation to accept the delivered item subject to his warrantee claims.

7.3 Partial shipments are permitted.

7.4 The purchaser has to test the delivered item within two weeks after receipt and noticeable defects have to be reported immediately to Gleason Switzerland AG in writing. If this omitted the purchaser shall be deemed to have accepted the delivered item as defect less.

## 8. Transportation and insurance

8.1 If there are no special instructions from the purchaser, Gleason Switzerland AG takes care of the packaging and forwarding of the shipments to the best of their discretion and knowledge, however without accepting responsibility.

8.2 In the absence of special instructions, Gleason Switzerland AG takes out transportation insurance carrying the usual risk and debits the purchaser. Complaints connected with the transport have to be made by the purchaser immediately and directly to the last freight forwarder, after receipt of the shipment or the shipping documents.

9. Liability for defects of the contractual item Excluding further claims Gleason Switzerland AG is liable for defects of the delivered item (missing of duly expected or promised features), however under reservation of clause 9.4 as follows:

9.1 Gleason Switzerland AG is under obligation to repair or replace at their option those parts without charge, which within 12 months after operation has started (with operation in multiple shifts 6 months) prove to be unusable or not insignificantly inhibited in their usability, because of circumstances present before the passing of the risk to the purchaser, such as defective construction, defects in material or poor workmanship. Gleason Switzerland AG is to be informed immediately in writing of the discovery of such defects. Replaced parts become Gleason Switzerland AG's property. In any case (also if the start of operation is delayed without Gleason Switzerland AG's fault), this time period is limited to a max. of 18 months after the passage of risk.

9.2 For bought out products Gleason Switzerland AG's liability is restricted to the transfer of their warranty claims of the supplier of the bought out products to the purchaser.

9.3 The right of the purchaser to claim defects is limited to 18 months after passage of risk.

9.4 Gleason Switzerland AG does not warrant damages, resulting from the following reasons: unsuitable or improper usage, faulty installation, resp. faulty start of operation by the purchaser or third parties, natural wear, faulty or careless treatment, the use of improper media and exchange materials, insufficient building work, inadequate site conditions, chemical, electronic, or electric influence, as far as they cannot be traced back to be Gleason Switzerland AG's fault.

9.5 To perform all repairs and spare parts shipments considered necessary by Gleason Switzerland AG, the purchaser shall after mutual agreement give Gleason Switzerland AG the required time and opportunity and, if so requested, place additional help at Gleason Switzerland AG's disposal. If this duty is violated by the purchaser, Gleason Switzerland AG is no longer obligated to correct these defects. Only in urgent instances - danger to operating safety and to ward off excessive damages, whereby Gleason Switzerland AG is to be notified at once, or if Gleason Switzerland AG delays removal of such defects - is the purchaser entitled to remedy the deficiencies himself or through others and to ask Gleason Switzerland AG to pay the necessary expenses.

9.6 From the direct expenses incurred by repairs resp. replacement shipments, Gleason Switzerland AG bears, if the complaint is a legitimate one, the expenses for the replacement part, including shipment, as well as the appropriate expenses for disassembly and assembly; furthermore, if the individual instance warrants, expenses of the possible use of their installer and helper. All additional expenses are charged to the purchaser.

9.7 The warranty period for the replacement part and repair is six months. But it lasts at least to the expiration of the original time limit for the contractual item.

9.8 There is no liability for the consequences of changes or repairs performed inadequately by the purchaser or others without prior consent of Gleason Switzerland AG.

9.9 Other claims of the purchaser, especially a claim to compensate for damages, which did not occur on the contractual item itself are - if permitted by law - excluded.

## 10. Withdrawal by the purchaser

10.1 The purchaser may withdraw from the contract, if Gleason Switzerland AG is unable to fulfill the contractual performance whether it is Gleason Switzerland AG's fault or not. The purchaser may also withdraw from the contract, if in the case of an order of several items of the same kind delivery cannot be effected in full number and if his interest to reject partial shipment is justifiable. If this is not the case the purchaser can reduce compensation accordingly.

10.2 If at a delivery delay the purchaser stipulates a reasonable time limit for Gleason Switzerland AG with the express explanation, that he will decline acceptance after expiration of this time limit, and if this time limit is exceeded, the purchaser may withdraw.

10.3 If the impossibility occurs during acceptance delay or due to the purchaser's fault, he remains under the obligation to pay the whole compensation.

10.4 The purchaser is further entitled to withdraw, if a reasonably fixed supplementary time period to repair or replace a defect for which Gleason Switzerland AG is liable has passed and Gleason Switzerland AG has taken no action by its own fault.

10.5 All other and further reaching claims of the purchaser are excluded - if permitted by law -, especially claims for conversion, reduction or indemnity of any type; particularly also such damages, which did not occur on the contractual item itself.

## 11. Withdrawal by Gleason Switzerland AG

11.1 In the event of unforeseen occurrences, as far as they would significantly alter the economic significance or the contents of performance or influence Gleason Switzerland AG's operations considerably, and the event, which subsequently shows that performance is impossible, the contract is adjusted correspondingly. If this is economically not feasible, Gleason Switzerland AG has the right to withdraw partially or completely from the contract.

11.2 Gleason Switzerland AG is also entitled to withdraw partially or completely from the contract if the purchaser declares bankruptcy or if proceedings for respite are in process (like a restructuring of the purchaser under chapter 11 of the US Bankruptcy Code) or if any other essential decline in its financial situation occurs.

11.3 Compensation claims of the purchaser - because of such withdrawal - do not exist. If Gleason Switzerland AG wants to use the rights of withdrawal, Gleason Switzerland AG has to inform the purchaser immediately after recognition of the importance of the events, even if an agreement for extension of delivery date has been agreed upon.

12. Right of recourse of Gleason Switzerland AG: If, through actions or omissions of the purchaser or of persons employed or appointed by it to perform any of its obligations, personal injury or damage to the property of third parties occurs and if a claim is made against Gleason Switzerland AG, then Gleason Switzerland AG shall be entitled to take recourse against the purchaser.

13. All cases of breach of contract and the relevant consequences as well as all rights and claims on the part of the customer, irrespective on what ground they are based, are exhaustively covered by these general conditions of supply. In particular, any claims not expressly mentioned for damages, reduction of price, termination of or withdrawal from the contract are excluded. In no case whatsoever shall the customer be entitled to claim damages other than compensation for costs of remedying defects in the supplies. This in particular refers, but shall not be limited, to loss of production, loss of use, loss of orders, loss of profit and other direct or indirect or consequential damage. This exclusion of liability, however, does not apply to unlawful intent or gross negligence on the part of the supplier, but does apply to unlawful intent or gross negligence of persons employed or appointed by the supplier to perform any of its obligations. This exclusion of liability does not apply as far as it is contrary to compulsory law.

14. Display of the delivered item Without prior written consent by Gleason Switzerland AG the delivered item (machine, machines) may not be displayed at exhibitions, trade fairs or shows.

## 15. Changes, supplements and partial nullity

15.1 Changes and supplements of these general conditions of sale require written form.

15.2 If a condition of these General conditions of sale is void, the validity of the remainder is not otherwise impaired.

## 16. Applicable law, place of execution and place of jurisdiction

16.1 The contractual partners are subject to Swiss Law. This completes the conditions of sale.

16.2 Place of execution for both contractual parties shall be at the registered office of the supplier.

16.3 Place of jurisdiction is Studen / Switzerland. Gleason Switzerland AG is also entitled to sue the purchaser at his domicile.