

## Terms and Conditions of Sale and Delivery

„Specialty Bearings & Engineered Products“

Kaman Group – Germany 2019

### § 1 General, scope of application

1. The present terms and conditions of sale and delivery are the terms and conditions of the German group companies of Kaman Corporation.
2. These terms and conditions of sale and delivery apply exclusively; we do not recognize conflicting or deviating terms and conditions of the customer unless we have expressly agreed to their validity in writing. These terms and conditions of sale and delivery shall also apply if we execute the order for the customer without reservation in the knowledge that the customer's terms and conditions conflict with or deviate from these terms and conditions of sale and delivery.

### § 2 Orders / Conclusion of Contract

1. An order by the customer is considered as an offer for the conclusion of a contract.
2. Unless otherwise stated in the order, we reserve the right to accept the customer's offer within 4 weeks by sending an order confirmation or sending the ordered goods.
3. All our offers are - unless expressly designated as binding - subject to change and non-binding.
4. The scope of our services shall be conclusively determined by our written order confirmation, if applicable, together with its written appendices.
5. If a provision in these Terms and Conditions of Sale and Delivery is or becomes invalid, the validity of all other provisions or agreements shall not be affected thereby.
6. Collateral agreements and amendments only become effective with our written confirmation. This also applies to the waiver of this provision.
7. Insofar as our delivery obligation includes goods, which are subject to statutory export restrictions, fulfilment of the contract shall be subject to the proviso that we are granted the necessary approvals.
8. The written form can be replaced by fax, but not by the electronic form according to § 126a BGB or the text form according to § 126b BGB. Legally relevant declarations and notifications must be made in writing in order to be effective.

### § 3 Prices and payment

1. prices are quoted in EURO unless a foreign currency is expressly stated.
2. Unless otherwise agreed in writing, the prices quoted by us are based on "EX WORKS" (Incoterms 2010), without cash discount and other discounts plus any transport and packaging

costs and plus any applicable taxes, customs duties and other public charges.

3. Payments shall be made without any deduction to the account stated in the invoice. The date of payment (value date of the credit to our bank account) shall be decisive for the timeliness of payments.
4. The customer can only offset or exercise a right of retention with the reason and the amount according to undisputed or legally established counterclaims.
5. Payments by the customer shall become due upon receipt of our invoice. The customer shall be in default 30 days after receipt of the invoice, if not agreed otherwise in writing.
6. The prices of the offer are only valid for orders of the full scope of the offered services.
7. Terms of payment shall only apply if the terms of previous deliveries have been observed. If this is not the case, all invoices shall become due immediately.

### § 4 Performance, transport and passing of risk

1. We reserve the right to make reasonable partial deliveries. Reasonability is given in particular if the partial performance/delivery can be used by the customer within the scope of the contractual purpose, the provision of the remaining services/deliveries is ensured, and the customer does not incur any considerable additional expenses or costs as a result (unless we declare our willingness to bear these costs).
2. Deliveries shall be made on the basis of "EXW" (Incoterms 2010) from the place of manufacture, unless otherwise agreed in writing.
3. Compliance with the agreed delivery and performance time (hereinafter uniformly referred to as the performance period) requires that all commercial and technical questions between us and the customer have been clarified and that the customer has fulfilled all his obligations. If this is not the case, the performance period shall be extended accordingly. This shall not apply if we are responsible for the delay.
4. Compliance with the performance period shall be subject to correct and timely self-delivery. We shall inform the customer of any recognizable delays.
5. The performance period shall be deemed to have been observed if readiness for delivery has been notified by the end of the performance period.
6. If the delivery or acceptance of the delivery is delayed for reasons for which the customer is responsible, he shall be charged the costs incurred as a result of the delay. We reserve the right to assert further claims for damages.
7. We reserve the right, after setting and fruitless expiry of a reasonable period for delivery or acceptance, to otherwise dispose of the delivery item and to supply the customer within a reasonably extended period.

## § 5 Force majeure

Force majeure as well as events and circumstances beyond the control of the contracting parties (including, in particular, regulations and orders of state authorities, strikes and lock-outs) shall release both contracting parties from their obligations to the extent that and as long as they make performance of the respective contract wholly or partially impossible.

## § 6 Retention of title

1. Until full payment of all our current and future claims arising from the purchase contract and an ongoing business relationship (secured claims), we reserve title to the goods sold.
2. The goods subject to retention of title may neither be pledged to third parties nor transferred by way of security until the secured claims have been paid in full. The customer must inform us immediately in writing if an application is filed for the opening of insolvency proceedings or if the goods belonging to us are seized by third parties (e.g. attachments).
3. If the customer acts in breach of contract, in particular if the purchase price due is not paid, we shall be entitled to withdraw from the contract in accordance with the statutory provisions or/and demand the return of the goods on the basis of retention of title. The demand for surrender does not at the same time include the declaration of withdrawal from the contract; rather, we are entitled to only demand surrender of the goods and to reserve the right to withdraw from the contract. If the customer does not pay the due purchase price, we may only assert these rights if we have previously unsuccessfully set the customer a reasonable deadline for payment or if such setting of a deadline is dispensable according to the statutory regulations.
4. The customer shall be entitled to resell and/or process the goods in accordance with subsection c. below, subject to retention of title in the ordinary course of business. In this case, the following provisions shall apply in addition:
  - a. The retention of title shall extend to the full value of the products resulting from the processing, mixing or combining of our goods, whereby we shall be deemed the manufacturer. If the ownership rights of third parties remain in force in the case of processing, mixing or combining with goods of third parties, we shall acquire co-ownership in proportion to the invoice values of the processed, mixed or combined goods. In all other respects, the same shall apply to the resulting product as to the goods delivered under retention of title.
  - b. The customer hereby assigns to us by way of security any claims against third parties arising from the resale of the goods or the product, either in their entirety or in the amount of our co-ownership share pursuant to the preceding paragraph. We accept the assignment. The obligations of the customer stated in para. 2 shall also apply with regard to the assigned claims.
  - c. The customer shall remain authorized alongside us to collect the claim. We undertake not to collect the claim as long as the customer meets his payment obligations towards us, there is no defect in his ability to pay and we do not assert the retention of title by exercising a right in accordance with para. 3. If this is the case, however, we can demand that the customer informs us of the assigned claims and their debtors, provides all information necessary for collection, hands over the relevant documents and informs the debtors (third parties) of the assignment. In this case

we shall also be entitled to revoke the customer's authority to further sell and process the goods subject to retention of title.

- d. If the realizable value of the securities exceeds our claims by more than 10%, we shall release securities of our choice at the customer's request.

## § 7 Warranty claims of the customer

1. The statutory provisions shall apply to the customer's rights in the event of defects and defects of title (including incorrect and short delivery as well as improper assembly or defective assembly instructions), unless otherwise stipulated below. In all cases, the statutory special provisions shall remain unaffected upon final delivery of the unprocessed goods to a consumer, even if the consumer has further processed them (supplier recourse pursuant to §§ 478 BGB). Claims arising from supplier recourse are excluded if the defective goods have been further processed by the customer or another entrepreneur, e.g. by installation in another product.
2. The basis of our liability for defects is above all the agreement reached on the condition of the goods. All product descriptions which are the subject of the individual contract or which have been made public by us (in particular in catalogues or on our Internet homepage) shall be regarded as an agreement on the quality of the goods.
3. If the quality has not been agreed, it is to be judged according to the legal regulation whether a defect is present or not (§ 434 Paragraph 1 S. 2 and 3 BGB). However, we assume no liability for any public statements made by the manufacturer or other third parties (e.g. advertising statements).
4. The customer's claims for defects presuppose that he has fulfilled his statutory obligations to inspect and give notice of defects (§§ 377, 381 HGB). If a defect becomes apparent upon delivery, inspection or at any later point in time, we must be notified thereof in writing without delay. In any case, obvious defects must be reported in writing within three (3) working days of delivery and defects not recognizable during the inspection within the same period of time from discovery. If the customer fails to properly inspect the goods and/or give notice of defects, our liability for the defect not reported or not reported in a timely manner or not properly shall be excluded in accordance with the statutory provisions.
5. If the delivered item is defective, we can first choose whether we provide subsequent performance by remedying the defect (subsequent improvement) or by supplying a defect-free item (replacement delivery). Our right to refuse subsequent performance under the statutory conditions shall remain unaffected.
6. We shall be entitled to make the subsequent performance owed dependent on the customer paying the purchase price due. However, the customer shall be entitled to retain a reasonable part of the purchase price in proportion to the defect.
7. The customer must give us the time and opportunity necessary for the subsequent performance owed, in particular to hand over the goods complained of for inspection purposes. In the event of a replacement delivery, the customer shall return the defective item to us in accordance with the statutory provisions. Subsequent performance shall include neither the removal of the

defective item nor its reinstallation if we were originally not obliged to install it.

8. We shall bear or reimburse the expenses necessary for the purpose of inspection and subsequent performance, in particular transport, travel, labor and material costs as well as any dismantling and installation costs, in accordance with the statutory provisions, if a defect actually exists. Otherwise we may demand reimbursement from the customer for the costs incurred as a result of the unjustified request to remedy the defect (in particular testing and transport costs), unless the lack of defectiveness was not apparent to the customer.

9. In urgent cases, e.g. if operational safety is endangered or to prevent disproportionate damage, the customer has the right to remedy the defect himself and to demand reimbursement from us for the objectively necessary expenses. We must be informed immediately, if possible in advance, of any such self-remedy. The right of self-remedy does not exist if we would be entitled to refuse corresponding subsequent performance in accordance with the statutory provisions.

10. If the supplementary performance has failed or a reasonable period to be set by the customer for the supplementary performance has expired unsuccessfully or is dispensable according to the statutory provisions, the customer may withdraw from the purchase contract or reduce the purchase price. In the case of an insignificant defect, however, there is no right of withdrawal.

11. Claims of the customer for damages or reimbursement of futile expenses shall only exist in accordance with § 8 even in the case of defects and shall otherwise be excluded.

## § 8 Other Liability & Force Majeure

1. Unless otherwise stated in these Terms and Conditions of Sale and Delivery, including the following provisions, we shall be liable in the event of a breach of contractual and non-contractual obligations in accordance with the statutory provisions.

2. We shall be liable for damages - irrespective of the legal basis - within the scope of liability for culpable intent and gross negligence. In the case of simple negligence, we shall only be liable subject to a milder standard of liability in accordance with statutory provisions (e.g. for care in our own affairs):

a. for damages resulting from injury to life, body or health,  
 b. for damages arising from the not inconsiderable breach of an essential contractual obligation (obligation the fulfilment of which is essential for the proper performance of the contract and the observance of which the contractual partner regularly relies on and may rely on); in this case, however, our liability shall be limited to compensation for the foreseeable, typically occurring damage.

3. The limitations of liability resulting from § 8.2 shall also apply to breaches of duty by or for the benefit of persons whose fault we are responsible for in accordance with statutory provisions. They shall not apply if we have fraudulently concealed a defect or assumed a guarantee for the quality of the goods and for claims of the purchaser under the Product Liability Act.

4. The customer may only withdraw or terminate due to a breach of duty which does not consist of a defect if we are responsible for the breach of duty. A free right of termination of the customer (especially according to §§ 651, 649 BGB) is excluded. Otherwise, the statutory requirements and legal consequences shall apply.

5. We shall also be released from our obligation to perform if the prerequisites of the above paragraph have been met by one or more suppliers.

## § 9 Statute of limitations

1. Notwithstanding § 438 para. 1 no. 3 BGB, the general limitation period for claims arising from material defects and defects of title shall be one year from delivery. If acceptance has been agreed, the statute of limitations shall commence upon acceptance.

2. If, however, the goods are a product which has been used for a building in accordance with its usual use and which has caused its defectiveness, the limitation period shall be five (5) years from delivery in accordance with the statutory provisions (§ 438 para. 1 no. 2 BGB). Other special statutory provisions on limitation (in particular § 438 para. 1 no. 1, para. 3, §§ 444, 445b BGB) shall also remain unaffected.

3. The above limitation periods of the sales law also apply to contractual and non-contractual claims for damages of the customer based on a defect of the goods, unless the application of the regular statutory limitation period (§§ 195, 199 BGB) would lead to a shorter limitation period in individual cases. However, claims for damages by the customer pursuant to § 8 para. 2 sentence 1 and sentence 2(a) as well as pursuant to the Product Liability Act shall become statute-barred exclusively in accordance with the statutory limitation periods.

## § 10 Data Protection and Information on Foreign Trade Restrictions

1. Any personal data transmitted to us shall be used exclusively for the purpose of fulfilling the business relationship. To the extent permitted by law, we will use internal and/or external data processors for data processing. You can find more detailed information on our website. If the customer provides us with personal data within the scope of the business relationship, we assume that he will do so on the basis of the necessary legal basis. Should claims be made against us by persons concerned which relate to the alleged lack of a legal basis for the transfer of such personal data from the customer to us, the customer shall indemnify us against all claims by such persons upon first written request.

2. The customer shall provide us in writing with all information required for the examination and, if necessary, obtaining of an export license. Should the customer provide us with no or only insufficient information about the consignee, the end-user, the final destination and intended purpose of the goods, we reserve the right to withdraw from the contract. Should the customer demonstrably have provided us with false information about the true end-use of our products, the customer shall indemnify us against all damages and costs upon first written request, unless the customer is not responsible for the false information.

**§ 11 Choice of law and place of jurisdiction**

1. The law of the Federal Republic of Germany shall apply to these Terms and Conditions of Sale and Delivery and the contractual relationship between us and the customer, to the exclusion of international uniform law, in particular the UN Convention on Contracts for the International Sale of Goods.
2. If the customer is a merchant as defined by the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive - also international - place of jurisdiction for all disputes arising directly or indirectly from the contractual relationship shall be the place of business of our respective group company which has a concrete business relationship with the customer. The place of business of the Group companies is listed in the footer of these Terms and Conditions of Sale and Delivery. The same applies if the customer is an entrepreneur within the meaning of § 14 BGB (German Civil Code). In all cases, however, we shall also be entitled to institute legal proceedings at the place of performance of the delivery obligation in accordance with these Terms and Conditions of Sale and Delivery or a prior individual agreement or at the customer's general place of jurisdiction. Prior statutory provisions, in particular regarding exclusive responsibilities, shall remain unaffected.

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