

SEW-Eurodrive, Inc.

Terms and Conditions for Sale of Goods

1. APPLICABILITY AND SCOPE

These terms and conditions of sale ("Terms") are the only terms which govern the sale of goods ("Goods") by SEW-Eurodrive, Inc. ("Seller") for this transaction with the buyer of these Goods ("Buyer"). Notwithstanding anything herein, if a written contract signed by both parties is in existence covering the sale of these Goods, those terms and conditions shall prevail over these Terms to only the extent they are inconsistent.

These Terms along with the terms and acknowledgments contained in the Quotation, Invoice, and/or Confirmation of Sale sent to Buyer from Seller shall collectively be referred to as the "Agreement" and shall comprise the entire agreement between the parties, and shall supersede all prior or contemporaneous understandings, agreements, negotiations, representations, warranties, and communications, whether written or oral. **These Terms shall prevail over any Buyer's terms and conditions of purchase** regardless of whether or when Buyer has submitted such terms or purchase order. Fulfillment of Buyer's order **does not** constitute acceptance of any of Buyer's terms and conditions and does not in any way modify or amend these Terms. Seller objects to any of Buyer's differing terms and refuses to proceed thereunder. Where appropriate, these Terms shall serve as Seller's counteroffer to Buyer's solicitation of Goods from Seller. These Terms may only be amended or modified in a writing which specifically states it amends these Terms and is signed by Seller's authorized representative.

2. QUOTATIONS AND PRICE

Quotations for the price of Goods apply only to the specific Goods for that specific transaction and are governed by the terms of the Quote itself. Otherwise, prices are subject to change without prior notice and are sold are subject to the price in effect at the time of shipment.

3. TAXES

Prices do not include sales, use, excise, or other similar taxes, duties and charges imposed by any governmental authority on any amounts payable by Buyer. Buyer shall pay the amount of any such taxes or other charges or shall reimburse Seller for any amounts Seller is required to pay.

4. PAYMENT TERMS

Unless otherwise specifically authorized, terms of payment are 30 days Net from the date of invoice for Buyers with approved credit. Seller may charge interest on any outstanding balance beyond the approved payment date the highest rate permissible under applicable law, applied and calculated daily and compounded monthly, until such payment is received. Unless otherwise specified by Buyer via its payment remittance, or otherwise agreed to by the Parties, all payments received shall be first applied to interest, then to the principal of the oldest outstanding invoices. Seller may require, based on financial condition or otherwise (which may include late or nonpayment or threat of exceeding credit limits), full or partial payment by Buyer in advance of performance or delivery.

Pro rata payments shall become due as delivery is made. Seller's delivery of a quantity of Goods on a piecemeal basis shall not entitle Buyer to object to or reject the Goods or any portion thereof. Payment for Goods whose delivery is delayed at the request of, **or due to acts or omission by**, Buyer shall become due when Seller is prepared to make delivery. Increased costs by reason of delay caused by Buyer shall be paid by Buyer. In addition to all other available remedies, Seller reserves the right to stop or suspend delivery for nonpayment where such failure continues 10 days after written notice thereof. Buyer shall not withhold payment for any amounts due and payable by reason of any set-off claim or dispute with Seller.

5. CHANGES

Seller will not accept any changes in order or specification unless such changes are requested by Buyer and agreed to in writing by an authorized representative of Seller. Buyer agrees to pay, in addition to the purchase price, a set sum determined by Seller to accommodate or effectuate such change or changes.

6. DELIVERY, TITLE, RISK OF LOSS

Any indicated delivery dates for any Goods are approximate only and Seller reserves a reasonable time to fulfill all orders. Further, Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in performing under this Agreement to the extent such failure or delay is the result of force majeure or causes beyond Seller's reasonable control, or as set forth in Section 4 above. Seller may, in its discretion and without penalty or liability, make partial delivery of Goods to Buyer. Each delivery will constitute a separate sale, and Buyer shall pay for all units delivered whether in whole or in part.

Unless otherwise agreed to by Seller, delivery shall be made to Seller's facility and shall be FOB Origin from Seller's facility. Title and Risk of Loss passes to Buyer upon delivery of the Goods. As collateral for the payment of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to the right, title, and interest of Buyer in, to, and under the Goods, wherever located or however arising whether now or hereafter, and all proceeds (including insurance proceeds) of the foregoing. This security interest shall constitute a purchase money security interest under the applicable laws of South Carolina. Buyer hereby grants to Seller whatever power and authority necessary to protect and perfect that interest, including power for the filing of financial statements or other similar documents.

7. PATENT INDEMNIFICATION

Seller shall indemnify and hold harmless Buyer against all claims or actions that are instituted against Buyer alleging that Buyer has infringed on the patent rights of others by using, reselling, or promoting the sale or resale of Seller's Goods. Notwithstanding the foregoing, Seller shall not be obligated hereunder if: (a) Buyer fails to give Seller prompt notice of any such claims or actions, or (b) Such claims or actions are based wholly or in part on the existence or operation of any complete installation or apparatus incorporating Seller's products as components and which is designed or manufactured by Buyer or a party other than Seller.

8. REGULATORY LAWS OR STANDARDS

Buyer shall comply with all applicable laws, regulations, and ordinances and shall obtain or maintain all necessary licenses, permissions, authorizations, consents, and permits including complying with all export and import laws and requirements, **including Export Control requirements**. This includes any and all privacy regulations, including, as applicable the GDPR. Buyer shall not resale or distribute the Goods in any manner that violates any state, federal, or international laws or Seller's Corporate Social Responsibility Program, available at <http://v5.ptipilot.com/Social.pdf>. Buyer shall notify Seller in the event Buyer intends to sell the Goods to, or incorporate them into another product for the purpose of selling to, any governmental agency or entity designated on any screening or sanctions list. Seller makes no representation that the Goods conform to any state, local, or federal laws, ordinances, regulations, codes or standards except as may be otherwise agreed to in writing by an authorized representative of Seller. **Seller may terminate this Agreement if it becomes aware of any**

violation of law by Buyer, or if any governmental authority imposes antidumping or countervailing duties or any other duties or penalties on the Goods.

9. LIMITED WARRANTY

Seller warrants to Buyer that for a period of **24 months** from the date the Goods are delivered ("Warranty Period"), that such Goods will be free from material defects in material and workmanship. Any Parts purchased separately shall be covered for **12 months** from delivery. This Warranty does not include or cover parts subject to replacement due to operational degradation or wear and tear (viz. belts, traction elements, etc.), nor does it cover costs associated with installation, removal, dismantling, or reinstallation. Furthermore, any equipment or components manufactured or created by third parties which may be contained in the Goods are not covered by this Limited Warranty and are subject only to whatever warranty may be granted by the third party creator, if any. Parts or Goods serviced or repaired under warranty shall be returned to Buyer and covered under the original Warranty Period. Parts or Goods serviced or repaired outside warranty shall be covered for a period of **12 months** from the date of delivery of such repaired portions thereof.

EXCEPT FOR THE WARRANTY SET FORTH ABOVE, GOODS ARE SOLD "AS IS" AND SELLER MAKES NO WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR WARRANTY FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

Seller shall not be liable for any breach of Warranty unless: (i) Buyer gives written notice of the defect immediately when Buyer discovers or should have discovered the defect, (ii) Seller is given a reasonable opportunity to examine such Goods, and (iii) Seller can reasonably verify Buyer's claim that such Goods are defective. Seller shall not be liable for any Warranty claims where: (a) Buyer makes further use of the Goods after discovery and notice of the defect, (b) the defect arises by Buyer's own misuse, improper storage, installation, or maintenance of the Goods or by acting contrary to Seller's written or oral instructions related to the Goods, or (c) Buyer makes (or causes to be made) alterations, repairs, or services on the Goods without prior written consent of Seller.

Seller shall, in its sole discretion, elect to either: (a) repair or replace defective Goods or parts thereof, or (b) credit or refund such Goods at the pro rata contract rate. Any and all replacement Goods or parts shall be delivered pursuant to Section 6 of these Terms.

THE REMEDIES SET FORTH IN THIS SECTION SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THIS LIMITED WARRANTY.

10. DAMAGES; LIMITATION OF

IN NO EVENT SHALL SELLER BE LIABLE FOR ANY LOSS OF USE, OPERATION, REVENUE, OR PROFIT, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, LIQUIDATED, OR PUNITIVE DAMAGES WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE. THIS APPLIES REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHERMORE, IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, TORT, OR OTHERWISE EXCEED THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD HEREUNDER. THIS LIMITATION OF LIABILITY, HOWEVER, SHALL NOT APPLY TO LIABILITY FOR DEATH OR BODILY INJURY RESULTING FROM SELLER'S OWN GROSS NEGLIGENCE OR WILLFUL CONDUCT.

11. TERMINATION; DEFAULT; INSOLVENCY

In addition to, and without limitation of, any other remedies provided to Seller by these Terms or by law, Seller may terminate this Agreement, and any other agreement with Buyer, with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount due under this Agreement, (b) has not performed or complied with or otherwise defaulted on the obligations under this Agreement, or (c) becomes insolvent, files a petition for bankruptcy, undergoes a substantial change of ownership, or commences or has commenced against it any proceeding related to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

Any order placed and accepted by the parties or otherwise in the process of fulfillment is not subject to cancellation or termination unless agreed to in writing by an authorized representative of Seller. Cancellations, terminations, or returns may be subject to any reasonable charges based upon expenses incurred and commitments made by Seller prior to cancellation.

12. INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION

Unless specifically granted in writing by a designated Officer of Seller, nothing in this Agreement or related to this transaction in any way grants Buyer any ownership or other interest in any of Seller's Intellectual Property Rights, which Seller shall retain in full. Furthermore, Buyer shall have no right to use or disclose any of Seller's confidential information or trade secrets. Confidentiality or Non-Disclosure Agreements may only be entered into by an authorized representative of Seller.

13. MISCELLANEOUS

All matters arising out of or related to this Agreement are governed by and construed in accordance with the laws of South Carolina without effect to any choice or conflict of law rules or provisions, expressly excluding the CISG. The parties hereby submit to the sole and exclusive jurisdiction of the state or federal courts of South Carolina for all disputes, actions, or proceedings arising out of or related to this Agreement. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the express prior written consent of Seller, and all purported assignments or delegations in violation of this Agreement shall be null and void. No amendment or waiver by Seller of any provision of this Agreement is effective unless set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any provision or right granted thereby of this Agreement shall be construed as waiver thereof. If any term or provision of this Agreement is found invalid, illegal, or unenforceable in any relevant jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement; nor shall it strike, invalidate, or render unenforceable or ineffectual such term or provision in any other jurisdiction. The terms and provisions of this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns. However, nothing herein, express or implied, is intended or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms. Provisions of these Terms which by their nature should apply beyond the term of this Agreement or transaction will remain in force after any termination or expiration thereof; this includes, by way of example: compliance with laws, confidential information, intellectual property, limitation of liability, limitation of damages, waiver, governing law, submission to jurisdiction, assignability, and survival.