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GENERAL SALE AND SUPPLY TERMS

1. INTRODUCTION

Any supplies and other services that NBI Bearings Europe, S.A. might provide to trading companies or to natural or corporate persons in public and private law, except in the event that other terms might be expressly agreed or the customer have general purchase terms expressly accepted by NBI Bearings Europe, S.A., shall be governed exclusively by the general contracting terms set forth below:

2. SUPPLY CONTRACT

The trading relations between NBI Bearings Europe, S.A. (hereinafter NBI) and its respective customers shall be governed within the legal framework of the supply contract, with the specific stipulations agreed in this document by the parties hereto in the following terms:

1º.- Written acceptance by NBI shall be required in order for the supply contract to be concluded, as well as any possible amendments thereto that might be agreed between the parties. This requirement is fulfilled by means of the confirmations contained on our forms, without it being necessary in such a case for acceptance actually to be signed.

2º.- Receipt of our acceptance of the order, or acceptance of the goods or services ordered, will be regarded as evidence that our sale and supply terms have been accepted by the customer.

3º.- NBI is neither subject to or bound by any lead times or general contracting terms that might differ from what is laid down in this contract.

3. CANCELLATION OF THE CONTRACT

The supply contract concluded between NBI and the customer or purchaser may be cancelled only in those cases determined by law and under the responsibilities laid down in current legislation.

1º.- In no case will NBI admit the cancellation of orders and supplies that have been confirmed verbally or in writing by the customer or purchaser, it being considered that such a course of action would constitute breach of contract by the purchaser or customer.

2º.- Should the customer wish to cancel an order or supply that has previously been confirmed it must officially inform NBI in writing, and shall at any event be bound to pay the stipulated price for the whole of the order or supply.

3º.- In the event of breach of contract by the customer or purchaser, the latter shall be bound to compensate NBI for any damages that might have been caused to it as a result of such breach of contract.

4. PRICES

The supply price agreed between the parties will be fixed by NBI and will be subject to the following terms:

1º.- The prices will be fixed by NBI and the customer will be informed thereof in writing by means of the document to confirm the order or supply. Receipt of this document by the customer will be regarded as evidence that the prices are accepted by the latter.

2º.- The prices given in the tariffs, tenders or any other document of a business, advertising or any other nature are to be understood as merely indicative and are subject to confirmation by NBI in the terms set forth in the foregoing stipulation.

3º.- The supply will be invoiced at the prices and with the discounts confirmed by NBI to the customer in accordance with what is stated above, with the addition of VAT at the current legal rate.

4º.- NBI may alter the prices previously confirmed to its customers for the following reasons: variations in salaries, variation of the costs of raw materials, energy costs, increase of the costs or expenses to be paid at source, currency variations, changes to customs tariffs, etc.

5º.- NBI reserves the right to invoice a surcharge on the price confirmed to the customer as compensation for handling the supply should the amount of the price of the order requested fail to reach the minimum amounts laid down in the tariffs established by NBI or the minimum order value as defined.

5. TERMS OF PAYMENT

The terms of payment of the price of the goods supplied by NBI shall be subject to the following requirements:

1º.- Unless the parties should agree otherwise, payments shall be made by means of bank transfers within 30 days as from the date of the invoice.

2º.- Should the customer fail to pay the stipulated price within the period laid down on the invoice, a weekly penalty interest of 0.50% will be charged up to a maximum of 5%.

3º.- Should payment be made in cash upon delivery of the goods, NBI may grant the customer a discount over the total price of the supply. Such a discount must be expressly acknowledged in writing by NBI in order to be effective with regard to the customer.

4º.- NBI will only accept bills of exchange or promissory notes if an express agreement has been reached with the customer regarding this. Payment by such means will not be regarded as cash payment and will therefore not be subject to any type of discount for this reason.

5º.- In no case will NBI admit withholding of payments or compensation for other considerations alien to the supply contract .

6. LEAD TIMES

Lead times will be fixed by NBI and will be shown on the order acceptance document sent to the customer, while the remaining terms shall be governed by the following stipulations:

1^o.- Lead times are understood in all cases to be merely indicative and shall begin as from the date on which the order is accepted by NBI.

2^o.- Lead times will be deemed to have been fulfilled when the goods are placed at the customer's disposal at NBI's warehouses.

3^o.- In the event of force majeure originating in the goods manufacturing process, as well as in the event of unforeseen circumstances of any other nature such as labour conflicts or strikes by NBI employees or by the suppliers of raw materials or other services essential for NBI to complete its production process, and in the event of breach of contract by the suppliers of raw materials or other services essential for NBI to complete its production process, NBI reserves the right to extend the lead time for the period during which the impediment or third party's breach of contract lasts or, if necessary, to cancel the supply contract - either totally or partially – on a unilateral basis.

7. DELIVERY OF THE GOODS

1^o.- The goods will be regarded as having been delivered to the customer or purchaser when they have been placed at the latter's disposal at NBI's warehouses, and will travel to their destination at the expense and risk of the purchaser who shall bear the costs of transporting the goods to its installations. .

2^o.- The choice of the form or means of sending or transporting the goods, as well as the choice of carrier or transport firm, will be made by NBI who may freely choose the option it considers the most suitable for each case.

3^o.- Should this be expressly agreed in writing between the parties, NBI offers the customer or purchaser a service whereby the goods supplied will be transported to the destination designated by the customer. In such a case the transport price will be fixed by NBI and included on the final invoice to be sent to the customer.

4^o.- At any event, both if the goods are transported by a carrier appointed by NBI or by the customer or purchaser, the parties hereto do expressly agree that shipment of the goods will be at the expense and risk of the customer who shall assume liability in the event of loss or damage to the goods during the transport, loading or unloading thereof.

5^o.- The increased cost of transporting the goods on an urgent basis shall be borne by the customer.

6^o.- NBI is in no way bound to take out insurance policies to cover damage to the goods during transport. Such insurance for damages will only be taken out if expressly requested in writing by the customer, in which case it shall be done by the latter who shall therefore determine the

limits of the cover in writing and pay the relevant premiums directly to the insurance company.

8. PACKING

1º.- The method of and material for packing the goods supplied will be determined by NBI at the latter's full discretion and as it deems most suitable.

2º.- Pallets, containers and other reusable packing materials will continue to be the property of NBI, with the purchaser being bound to return them to our warehouses without delay once the goods have been delivered at their destination, and without this involving any expense whatsoever for NBI.

3º.- Regardless of the goods supplied. NBI will invoice the customer for the cost of non-reusable packing material, and the customer may not be exempted from paying the relevant amount by returning such non-reusable packing materials to NBI.

9. RESERVATION OF OWNERSHIP

1º.- NBI reserves ownership rights to all the goods supplied to the customer or purchaser until such a time as the latter has fulfilled all the obligations arising out of the contract between the parties to the satisfaction of NBI.

2º.- If the goods, the ownership of which has been reserved, become part of a new product through connection or owing to their being included inside the same, or as a result of any other cause or circumstance, as long as this new product is still owned by the customer it is hereby agreed that the customer acknowledges and grants co-ownership of this new product to NBI. In such a case, the customer will be the holder of the new product without being entitled thereby to receive any compensation whatsoever from NBI. The part or percentage of co-ownership of the new product corresponding to NBI will be determined by the relationship between the value of the goods affected by the reservation of ownership and the value of the new product.

3º.- Should the customer sell or in any way assign the goods supplied by NBI and which are subject to reservation of ownership, whether totally or partially in accordance with what is set forth above, NBI will be subrogated in any legal procedures that might correspond to the customer with regard to the party acquiring the goods. In such a case, the customer shall provide NBI with all the information and documents necessary in order to be able to carry out the legal actions in which it has been subrogated, and shall likewise officially notify the third party acquiring the goods subject to reservation of ownership that such subrogation has taken place.

4º.- The customer shall immediately inform NBI by official means in the event that the goods subject to reservation of ownership should be embargoed or otherwise affected by court or out-of-court action undertaken by a third party.

10. GUARANTEES

The guarantees on the quality of the products and goods supplied by NBI to its customers are solely and exclusively as follows:

1º.- NBI guarantees to its customers that the goods supplied are free from any manufacturing flaw or fault in accordance with our manufacturing standards .

2º.- The guarantee period will be 12 months as from the date on which the supply is delivered to the customer. Therefore, in order for the guarantee to take effect, the customer must make the relevant claim in writing and by official means to NBI within 12 months following the date on which the goods are delivered.

3º.- In this respect NBI will be free from any liability if a claim is made by the customer after 12 months have elapsed following the date on which the goods were delivered (the delivery date shall be that determined in clause VI of these general contract terms).

4º.- Once an official claim has been made by the customer, NBI reserves the right to check the flaw or fault, for which purpose the material or goods in which the fault or flaw has been found shall be placed at NBI's disposal by the customer, with carriage prepaid, at NBI's warehouses or place otherwise designated,.

5º.- NBI's responsibility as described under this heading refers exclusively to the repair or replacement of the faulty products or goods. NBI is empowered to choose as to whether to repair or replace such products or goods.

6º.- There are no other guarantees that expressly or implicitly correspond to the customer or purchaser, and no type of guarantee exists for the following cases:

- Normal or ordinary wear and tear of the product or goods supplied.
- Incorrect assembly or handling.
- Any other incidents or occurrences ascribable to the customer or third party alien to NBI.

7º.- The customer or purchaser is bound, by official means and in writing, to inform NBI of any flaws or faults found in the products or goods supplied within a maximum period of 30 days as from when the flaw or fault was observed or discovered by the customer, the guarantee having no effect in the event of failure to comply with this requirement.

11. MANUFACTURER'S RESPONSIBILITY

As far as applying the production and manufacturing guarantees set forth in the foregoing clause is concerned, the degree of responsibility corresponding to NBI is laid down as follows:

1º.- NBI's responsibility for supplying its customers with faulty goods or products and which are covered by the guarantee described above is limited exclusively to repairing or replacing such faulty products or goods .

2º.- The limit to NBI's responsibility here described will take precedence over any other guarantee, whether explicit or implicit, that might be determined by the legislation applicable to this supply contract, be it of a national or supranational nature.

3º.- The terms included in this clause constitute the full agreement between the parties hereto, and are the sole and exclusive statement of the guarantee provided by the seller. There are no other statements, guarantees or agreements by the seller applicable to the sale of the products or goods manufactured or marketed by NBI, unless there should be an express written agreement by the parties in this sense.

4º.- The customer may exercise only the rights and claims described herein. Any other claims, in particular as regards compensation for damages that do not affect the actual goods supplied, such as indirect costs, loss of profit and any others, are excluded.

12. MATERIAL RETURNED

Except for those cases described under the foregoing heading and covered by the guarantees offered to the customer, the return of goods or products supplied will not be accepted without the express written consent of NBI.

At any event, returns authorised by NBI will be subject to the following terms and requirements:

1º.- A reduction on the purchase price for sundry expenses such as inspection and logistics or others will be applied to the returns authorised by NBI. This price reduction will be determined on a discretionary and unilateral basis by NBI depending on the circumstances of the case.

2º.- Those supplies returned with NBI's authorisation must be in a perfect state of repair and in their original packing with NBI being empowered, according to its exclusive criterion, to refuse to allow their return in the event of failure to comply with this requirement .

3º.- In order that returned material may be duly dealt with, the customer must send the relevant product or goods with prepaid carriage to the warehouse or place designated by NBI, showing the order number and supply date.

4º.- The amount involved in this payment shall always be deducted from the next draft charged to the customer after the material has been received.

5º.- Special bearings or linear items cut or machined in accordance with the wishes of the customer or purchaser may not be returned under any circumstances .

13. CONFIDENTIALITY CLAUSE

Both parties hereto shall maintain full confidentiality with regard to the information received from the other party as a result of this supply contract.

Such confidentiality provisions will remain in force after this supply contract has terminated.

14. APPLICABLE JURISDICTION

As regards any dispute or suit that might arise between the parties in relation to the interpretation of these terms, or on account of any breach of this supply contract, NBI and the customer or purchaser shall expressly submit to the jurisdiction of the courts and tribunals of Bilbao with express waiver of any other jurisdiction.