
TERMS AND CONDITIONS OF SALE

1. GENERAL

All acknowledgments, sales and acceptances by Roller Bearing Company of America, Inc., including its affiliates and subsidiaries ("Company") are expressly limited to and made conditional upon the terms and conditions contained herein and no others, and any of Customer's terms and conditions which are in addition to or different from those contained herein (except additional provisions specifying quantity, description of the products or services ordered, and in shipping instructions) are hereby objected to in advance and not included in this agreement. This order, with such documents as are expressly incorporated herein by reference, is intended by the parties as a final expression of their agreement with respect to such terms as are included herein and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to determine the meaning of this agreement.

2. DELIVERY

Customer shall deliver the parts and/or assemblies to be repaired, modified or overhauled to the designated Company facility. Customer will bear all costs incurred to ship the parts and/or assemblies to the shipping destination (including costs of freight and transit insurance) and will prepay such shipping costs. If Customer ships parts and/or assemblies to Company's designated facility from outside the United States, customer will name itself as importer and nominate a customs broker. Customer is responsible for payment of all customs duties, taxes and other charges. Customer shall include applicable service requirements for each part and/or assembly with its order. Customer shall pack the parts and/or assemblies in accordance with ATA 300 specifications and good commercial practices for protection against damage and deterioration during shipment and storage. Customer shall be liable for any damage to parts and/or assemblies due to improper packaging by Customer. Until delivery of the parts and/or assemblies is made to Company's designated facility, Customer and its insurers, if any, will relieve Company of responsibility for all risks of loss and damage. Upon completion of service by Company, redelivery of the parts and/or assemblies shall be made Ex Works "EXW" (INCOTERMS® 2010) and shall be invoiced to and shall become the property of Customer upon tender of delivery thereof to the carrier. Customer shall have the right to specify the method of transportation for the parts and/or assemblies and the common carrier to be used. Absent such specification, the Company shall ship the parts and/or assemblies by a reliable common carrier of its own selection in order to meet the delivery schedule and invoice Customer for all applicable charges associated with such shipment. Diversion contrary to United States Export Administration Regulations and embargo laws is prohibited.

3. SERVICE

Company shall repair, modify or overhaul the parts and/or assemblies in accordance with Customer's instructions contained in the order. Services will be performed in accordance with (i) the current Original Equipment Manufacturers' (OEM) Repair or Overhaul procedures; and/or (ii) FAA/EASA/CAAC, or other applicable agency, approved repair procedures as applicable; or (iii) FAA Designated Engineering Representative (DER) repairs only with prior written approval of Customer; or (iv) other data approved by Company in writing. Any repair, modification or overhaul services shall

be performed at Company's facilities or those of an approved subcontractor. Upon completion, or unless otherwise requested by Customer, Company shall return the parts and/or assemblies to Customer and provide Customer with FAA 8130-3, EASA Form 1, FAA/EASA dual release or CAAC certificates, as applicable.

Company shall notify Customer if any parts and/or assemblies are deemed beyond economical repair, with Customer having sole discretion as to the determination of the ultimate disposition of any such parts and/or assemblies. Company will charge Customer for any services performed during the evaluation of any such parts and/or assemblies.

4. TITLE AND RISK OF LOSS

Customer hereby grants to Company a lien and a security interest and right of possession to the parts and/or assemblies, regardless of mode of attachment, until full payment has been made therefore. Customer agrees to do all acts necessary to perfect and maintain such security interest to Company and will adequately insure products against all loss or damage, with Company being named as an additional insured. All risk of loss or damage to each part and/or assembly will remain with Customer at all times, including when the part and/or assembly is in the possession, care, custody and control of Company, unless when in the possession, care, custody or control of Company, any loss or damage to the part and/or assembly is caused by the negligence of Company.

5. ASSIGNMENT

Customer shall not assign any of its rights or delegate any of its obligations under this Agreement without prior written consent of Company. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves the Customer of any of its obligations under this Agreement.

6. SET OFFS

Customer will have no rights of set off against any amounts, which become payable to Company under this Agreement or otherwise.

7. PATENTS

Company agrees to defend any suit or proceeding brought against Customer so far as such suit or proceeding is solely based upon a claim that the use of the services provided by Company constitutes infringement of any patent of the United States of America, provided Company is promptly notified in writing and given authority, information and assistance for defense of same. Company will, at its option, procure for Customer the right to continue to use said services, or modify them so that they become non-infringing, or replace same with non-infringing services, or to remove said services and to refund the purchase price. The foregoing will not be construed to include any Agreement by Company to accept any liability whatsoever in respect to patents for inventions including more than the standard catalog products furnished hereunder, or in respect of patents for methods and processes to be carried out with the aid of said products. The provision of services by Company does not convey any license, by implication, estoppel, or otherwise, under patent claims covering

combinations of said services with other devices or elements. The foregoing states the entire liability of Company with regard to patent infringement. Notwithstanding the provisions of the preceding paragraph, Customer will hold the Company harmless against any expense or loss resulting from infringement of patents or trademarks arising from compliance with Customer's designs or specifications or instructions.

8. WARRANTIES

Unless otherwise stated differently in an applicable quote, invoice or order acknowledgement, the Company warrants that repair and overhaul services provided to Customer will be free of defects in workmanship. The foregoing warranty is exclusive, and in lieu of all other warranties (whether written, oral or implied) including, but not limited to, the warranty of merchantability and the warranty of fitness for a particular purpose. If any seals or stickers are removed or tampered with in any way, this warranty is null and void. The Company does not warrant, except as to title, any parts or components that have been installed on/in or used during the servicing of a customer's unit except to the extent of the original manufacturer's warranty. The company does not warrant to the extent of free replacement of any part(s) or components not replaced during previous repair or overhaul.

The Company's standard warranty is as follows: 1) Overhauls – one (1) year from the date of maintenance release; 2) Repairs – six (6) months from the date of maintenance release; 3) Re-certifications and Bench Checks – no warranty.

9. LIMITATION OF LIABILITY AND DAMAGES

THE COMPANY'S LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO THE WARRANTIES PROVISION ABOVE, AND THE COMPANY SHALL NOT BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE PARTS OR COMPONENTS. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES INCURRED BY THE OTHER PARTY, OR ANY SUCCESSORS IN INTEREST OR ANY BENEFICIARY OF THIS AGREEMENT, AND IN ANY WAY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY BREACH THEREOF, WHETHER OR NOT SUCH LOSS OR DAMAGE IS BASED ON CONTRACT, WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHERWISE.

10. GOVERNING LAW

This Agreement has been, made, executed, and delivered in the State of Connecticut and will be governed and construed for all purposes under and in accordance with the laws of the State of Connecticut without regard to the laws that might be applicable under principles of conflicts of law. The United Nations Convention on Agreements for the International Sales of Goods will not apply to this Agreement.

11. EXECUTION

Company will not be bound by any other agreement or any modification until approved in writing by Company. Course of conduct by Company shall not be deemed a modification or waiver under any circumstances.

12. U.S. IMPORT & EXPORT REGULATIONS

Customer will pay all handling and other similar costs from Company's factories including the costs of freight, insurance, export clearances, import duties and taxes. Customer will be "exporter of record" with respect to any export from the United States of America and will perform all compliance and logistics functions in connection therewith and will also comply with all applicable laws, rules and regulations. Customer understands that Company and/or the products or services are subject to laws and regulations of the United States of America which may require licensing or authorization for and/or prohibit export, re-export or diversion of Company's products or services to certain countries, and agrees it will not knowingly assist or participate in any such diversion or other violation of applicable United States of America laws and regulations. Customer agrees to hold harmless and indemnify Company for any damages resulting to Customer or Company from a breach of this paragraph by Customer.

13. DISPUTES

The parties agree that before, and as a condition precedent to, the initiation of any legal action or proceeding, all claims, controversies, and disputes (Disputes) arising out of or in relation to the performance, interpretation, application, or enforcement of this order, including without limitation any breach hereof, the following process must be completed. In the event of a Dispute, the parties agree that their project representatives familiar with the issue will schedule a meeting (by telephone or in person) to discuss the Dispute and to attempt in good faith to resolve it. If after ten (10) days, the matter is not resolved, then as promptly as practicable an executive officer of Buyer and an executive officer of Seller shall meet (by telephone or in person) to discuss and attempt in good faith to resolve the Dispute. If after such discussions the Dispute is not resolved the parties can pursue any available legal remedy, action, or proceeding. Each of the parties agrees that all actions, suits or proceedings arising out of or based upon this order or the subject matter hereof shall be brought and maintained exclusively in the state or federal courts located in the State of Connecticut. In the event the Company shall initiate litigation against Customer for any reason in connection with this Agreement, the Company shall be entitled to recover from Customer and Customer agrees to pay all costs related to such litigation as well as all attorneys' fees incurred by the Company in connection therewith in addition to all other rights and remedies it might have.

14. FORCE MAJEURE

Company will not be liable for delays in delivery or failure to re-deliver (a) due to causes beyond its reasonable control; (b) due to acts of God, acts of Customer, acts of civil or military authority, priorities, fires, strikes, floods, epidemics, quarantine restrictions, war, riot, delays in transportation or car shortages; (c) due to uncontrolled inability to obtain necessary labor, materials, components or manufacturing facilities; or (d) due to any other commercial impracticability. Any such delays will effect a corresponding extension of Company's performance dates.

15. DELAY OR CANCELLATION

An order placed with and accepted by Company cannot be delayed, canceled, suspended, or extended except with Company's written consent and upon written terms accepted by Company that will reimburse Company for and indemnify Company against loss and provide Company with an acceptable profit for its materials, time, labor, services, use of facilities and otherwise. Any attempt by Customer to unilaterally revoke, delay or suspend acceptance for any reason whatever after it has agreed to delivery of or accepted any shipment shall constitute a breach of this Agreement. For purposes of this paragraph, acceptance shall be any waiver of inspection, use or possession of goods, payment of the invoice, or any indication of exclusive control exercised by Customer.

16. PAYMENT

Company shall invoice Customer after the completion of agreed upon repair modification and overhaul services upon shipment of the applicable parts and/or assemblies for redelivery. Payment terms will be as set forth in Company's quotation, acknowledgment or invoice, in accordance with its credit and collections policy and assessment of Customer credit risk. If not so stated payment terms shall be payable in advance on date of shipment. All payments will be made In United States currency. Company may at any time decline to ship, make delivery or perform work except upon receipt of cash payment, letter of credit, or security, or upon other terms and conditions satisfactory to Company in accordance with its credit and collections policy and assessment of credit risk. All past due accounts will be subject to a one and one-half percent (1-1/2%) finance charge per month on the unpaid balance, which is an annual percentage rate of eighteen percent (18%), or maximum rate allowed by law if lower. In the event Customer shall default in its obligations hereunder, Customer shall be liable for Company's costs of collection, including attorneys' fees. Notwithstanding any agreements that Customer may have at any time with third parties, and without limiting Company's rights or remedies upon Customer's default, Customer shall at all times remain primarily liable to Company for all payment and performance obligations of Customer under this order. Customer shall hold harmless and defend Company from and against any claims or charges asserted by any third parties claiming an interest in the parts and/or assemblies.

17. PRICE AND TAXES

All prices include packaging in accordance with Company's standard procedures. Charges for special packaging, crating or packing are the responsibility of Customer. The price of products or services does not include any present or future foreign, federal, state, or local property, license, privilege, sales, use, excise, value added, gross receipts or other like taxes or assessments. Customer shall be responsible for all sales, use, value added and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental entity which are or may be levied or assessed that result from the delivery or performance of the services performed or the sale, exchange, transfer replenishment or maintenance of parts and supplies; provided, that, in no event shall Customer pay or be responsible for any taxes imposed on, or with respect to, Company's income, revenues, gross receipts, personnel, or real or personal property, or other assets. The

amount of any such taxes for which Customer is responsible, if paid by Company, shall be billed to customer, which Customer shall promptly pay the billed amount to Company.

18. CLAIMS

All products damaged during shipment and all claims relating thereto must be made with the freight carrier in accordance with such carrier's policies and procedures. Claims for products damaged during shipment are not covered under the warranty provision stated herein.

19. COMPANY'S RIGHT TO CURE

If products or services are tendered which do not fully comply with the provisions of this Agreement, and those products or services are rejected by Customer, Company will have the right to cure within a reasonable time after notice thereof by substituting a conforming tender whether or not the time for performance has passed. Any rejection of products or services by Customer must be within sixty (60) days from date of shipment.

20. COMPANY'S RIGHT TO STOP DELIVERY

Customer represents that by accepting this Agreement it is not insolvent. In the event Customer becomes insolvent before delivery or while Products are in transit, it will immediately notify Company. The failure to notify Company immediately will be construed as a reaffirmation of Customer's solvency at the time of delivery. Company will have the right to stop delivery of the products by a bailee or other third party transporting the same if Customer becomes insolvent, repudiates or fails to make a payment due, in order to withhold or reclaim the products under the provisions of the Uniform Commercial Code. In the event Products reach Customer prior to Company's ability to stop Products and Customer cannot make payments within the agreed upon payment terms, Customer shall return the Products to Company at Customer's expense.

21. INTELLECTUAL PROPERTY

Company and Customer shall retain all of their own proprietary rights of any kind in and to their respective patents, trademarks, procedures, know-how, methods, processes, trade secrets and proprietary information that may be used or disclosed with respect to the services performed pursuant to this order. Company will retain ownership of all intellectual property and proprietary rights that it develops in connection with the performance of services provided under this order.

22. GOVERNMENT CONTRACTS

No government contract regulations or clauses will apply to the products or any order for products or act to bind Company unless specifically agreed to by Company separately in writing at Company's headquarters. Unless Purchaser notifies Seller in writing in advance, Purchaser warrants that it will not submit any request for or order to purchase Products which Purchaser knows or has reason to know will be used in the performance of a U.S. government contract or subcontract which incorporates or is subject to federal regulations expressly or by reference, including without limitation the Federal Acquisition Regulation (FAR), Defense Acquisition Regulation (DFAR), Armed Services

Procurement Regulations (ASPR), and Cost Accounting Standards (CAS). Purchaser agrees to indemnify, defend, and hold Company harmless against any loss, liability, or damage of any kind that Company incurs in connection with a breach of that warranty.

23. ENTIRE AGREEMENT

This Agreement contains the entire and only agreement between the parties hereto relating to the subject matter hereof, and any document, representation, affirmation of fact and course of prior dealings, promise or condition in connection therewith or usage of the trade not specifically incorporated herein will not be binding on either party.

