



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 Purchaser'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.

2. TITLE AND RISK OF LOSS. All product sales with destinations to Canada, Mexico or the U. S. shall be made F.O.B. Company's U.S. manufacturing facility and shall be invoiced to and shall become the property of Purchaser upon tender of delivery thereof to the carrier. All product sales with destinations outside Canada, Mexico and the U. S. shall be made Ex Works "EXW" (INCOTERMS 2000) Company's U.S. manufacturing facility and shall be invoiced to and shall become the property of Purchaser upon tender of delivery thereof to the carrier. Purchaser shall have the right to specify the method of transportation for the products and the common carrier to be used. Absent such specification, the Company shall ship the products by a reliable common carrier of its own selection in order to meet the delivery schedule and invoice Purchaser for all applicable charges associated with such shipment. Title and risk of loss or damage to products will pass to Purchaser upon tender of delivery of such to carrier at Company's U.S. manufacturing facility. A security interest and right of possession to the products will remain in Company, regardless of mode of attachment to realty or other property until full payment has been made therefore. Purchaser agrees to do all acts necessary to perfect and maintain such security interest and title in the Company and will adequately insure products against all loss or damage, with Company being named as an additional insured. All prices include packaging in accordance with Company's standard procedures. Charges for special packaging, crating or packing are the responsibility of Purchaser.

3. ASSIGNMENT. Neither party will assign or transfer its rights or obligations to this Agreement or any order without prior written consent of the other party, which consent will not be unreasonably withheld.

4. DELIVERY AND DELAYS. Delivery dates are approximate and not guaranteed. Company will use reasonable efforts to deliver the products or services on or before the estimated delivery date and will notify Purchaser if the estimated delivery dates cannot be honored and will deliver the products or services as soon as practicable thereafter. In no event will Company be liable for any damages or expenses caused by delays in delivery times.

5. TAXES. 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. Such amounts will be itemized separately to Purchaser, who will make prompt payment to Company. Company will accept valid exemption documentation for such from Purchaser, if applicable.

6. SET OFFS. Purchaser 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 Purchaser so far as such suit or proceeding is solely based upon a claim that the use of the standard catalog products provided by Company constitutes infringement of any patent of the United States of America, providing Company is promptly notified in writing and given authority, information and assistance for defense of same. Company will, at its option, procure for Purchaser the right to continue to use said products or services, or modify them so that they become non-infringing, or replace same with non-infringing products or services, or to remove said products or 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 products or services by Company does not convey any license, by implication, estoppel, or otherwise, under patent

claims covering combinations of said products or 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, Purchaser will hold the Company harmless against any expense or loss resulting from infringement of patents or trademarks arising from compliance with Purchaser's designs or specifications or instructions.

8. WARRANTIES. Industrial Products. The Company's sole warranty is against defects in materials and workmanship for ninety (90) days after date of sale of product. 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. A no charge replacement will be made on any product manufactured by the Company, which upon examination by the Company, appears to be defective, provided it is returned to the Company, transportation prepaid, within ninety (90) days of date of sale, and further provided it has been properly selected, installed or mounted and lubricated and not subject to abuse.

Aerospace and Defense Products. The Company's sole warranty is against defects in materials and workmanship for one (1) year after date of sale of product. 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. A no charge replacement will be made on any product manufactured by the Company, which upon examination by the Company, appears to be defective, provided it is returned to the Company, transportation prepaid, within one (1) year of date of sale, and further provided it has been properly selected, installed or mounted and lubricated and not subject to abuse.

9. LIMITATION OF LIABILITY AND DAMAGES. THE COMPANY'S LIABILITY UNDER THIS AGREEMENT SHALL BE LIMITED TO REPLACEMENT OF DEFECTIVE PRODUCTS (AS PROVIDED IN SECTION 8 HEREOF) ONLY, AND THE COMPANY SHALL NOT BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE PRODUCT. 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. NUCLEAR LIABILITY. Products sold hereunder are not intended to be used, nor should they be used, in any nuclear-related application either as a "Basic Component" under 10 C.F.R. part 21 (U.S. Nuclear Regulatory Commission) or otherwise under similar nuclear laws and regulations of the United States or any other country. In the event that the products or services sold hereunder are to be used in a nuclear facility, Purchaser will, prior to such use, arrange for insurance and governmental indemnity protecting Company against all liability and hereby releases and agrees to indemnify Company and its suppliers for any nuclear damage, including loss of use, in any manner arising out of a nuclear incident, whether alleged to be due, in whole or in part to the negligence or otherwise of Company or its suppliers.

11. 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.

12. 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.



13. U.S. IMPORT & EXPORT REGULATIONS. Purchaser will pay all handling and other similar costs from Company's factories including the costs of freight, insurance, export clearances, import duties and taxes. Purchaser 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. Purchaser 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. Purchaser agrees to hold harmless and indemnify Company for any damages resulting to Purchaser or Company from a breach of this paragraph by Purchaser.

14. 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 Purchaser for any reason in connection with this Agreement, the Company shall be entitled to recover from Purchaser and Purchaser 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.

15. FORCE MAJEURE. Company will not be liable for delays in delivery or failure to manufacture or deliver (a) due to causes beyond its reasonable control; (b) due to acts of God, acts of Purchaser, 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.

16. 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. Purchaser will be obligated to accept any goods shipped, tendered for delivery or delivered by Company pursuant to the order prior to any agreed delay, cancellation, suspension or extension of the order. Any attempt by Purchaser 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 Purchaser.

17. PAYMENT. Prices are subject to change and surcharges without notice in the event of unforeseen material and operating cost increases. All orders are accepted subject to Company's price in effect at time of shipment. 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 Purchaser 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 charge of 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%). In the event Purchaser shall default in its obligations hereunder, Purchaser shall be liable for Company's costs of collection, including attorneys' fees.

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 Purchaser, 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 Purchaser must be within sixty (60) days from date of shipment.

20. COMPANY'S RIGHT TO STOP DELIVERY. Purchaser represents that by accepting this Agreement it is not insolvent. In the event Purchaser becomes insolvent before delivery of the Products, it will immediately notify Company. The failure to notify Company immediately will be construed as a reaffirmation of Purchaser'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 Purchaser 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.

21. INTELLECTUAL PROPERTY. Company retains all ownership, license and other rights to all patents, trademarks, copyrights, trade secrets and other intellectual property rights related to the products and services, and, except for the right to use the products and services that are the subject of this Agreement, Purchaser obtains no rights to use any such intellectual property.

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.