

I Scope

- These general sales and delivery conditions of the company GGB Slovakia s.r.o. (hereinafter referred also as "GBC") regulate the contractual conditions for supply of goods by the company GGB Slovakia s.r.o. (hereinafter referred to as "Seller") and form an annex to a general contract, contract, offer, order or order confirmation, and they are an inseparable part thereof. Submission of an order by Buyer shall be deemed as Buyer's total agreement with these GBC without any restrictions. Purchase or other business conditions of Buyer shall not be considered save that Seller has explicitly accepted them in writing.
- Any divergence from these conditions shall be effective only if agreed in writing by Seller.

II Contract proposal

- Seller shall be entitled to submit an offer to Buyer, which typically includes a specification of the kind of the goods offered, price offer for such goods, payment and delivery conditions. All Seller's offers shall be non-binding and may be liable to changes.
- Buyer shall submit to Seller a contract proposal in the order, which must include basic identification data of the Buyer, exact specification of the ordered goods and a price offer for goods, the amount of goods whereas stating the exact amount of the goods as per respective kinds, estimated time of goods supply and payment terms and conditions. Buyer's order shall be in written form.
- Seller shall be entitled not to confirm and return Buyer's order if there is incorrect price, kind of goods or other agreed thing stated in the order or if any data are missing in Buyer's order. Seller shall be entitled not to confirm and accept Buyer's order.
- Information stated in the catalogues, on Seller's web pages and other advertising literature of Seller shall be binding only if this information is expressly referred to in any general contract, contract and offer, order or order confirmation made by Seller.
- Buyer shall not be entitled to provide any general contract, contract, offer, order or order confirmation to any third party without Seller's prior written consent.

III Concluding the contract

- The contract shall hereinafter be deemed an agreement on supply of goods concluded between Buyer and Seller.
- The contract in terms of these GBC is concluded upon delivery of a written order by Buyer to Seller in the stated period, which is in compliance with previous offer made by Seller.
- In case that Buyer delivers the order to Seller without prior concrete offer made by Seller or it is not in compliance with the previous concrete offer, the contract shall be deemed concluded upon Seller's written confirmation of the order to Buyer.
- Seller shall consider the terms and conditions of supply stated in order confirmation as accepted by Buyer.

IV Price and payment conditions

- Buyer hereby undertakes to settle to Seller the price stated in order confirmation made by Seller.
- Price shall be deemed the price for goods in the store of Seller's registered seat without costs for transport from Seller's store without VAT.
- Every and all costs related to transport of the goods from the store of Seller's registered seat to other place shall be borne by Buyer, unless agreed otherwise by Buyer and Seller in writing.
- Purchase price for the goods shall be due in advance, within 15 (in words: fifteen) calendar days after issuance of the advance payment invoice by Seller, unless agreed in writing otherwise. If Buyer fails to settle the agreed purchase price for the goods in the agreed maturity period, Seller shall not be obliged to deliver such goods to Buyer and shall not be defaulting on goods supply. Deadline for goods delivery to Buyer shall be postponed by the period during which Buyer is defaulting on the advance payment to Seller.
- Seller shall mostly issue advance invoices, partial or final invoices for Buyer in the agreed terms. Invoices shall be due within 15 (in words: fifteen) calendar days as of their issuance day, unless agreed otherwise in writing.
- Buyer shall settle the invoices in EURO currency to Seller's bank account, unless agreed otherwise in writing. All fees and other expenses connected with payment settlement shall be borne by Buyer.
- Buyer shall not be entitled to decrease the payment or bind it with compliance of conditions which are not explicitly agreed upon in the contract.
- Payment shall be deemed made after Seller's bank account has been credited with the whole invoiced amount.
- In case that Buyer fails to fulfil any obligations resulting from the Contract (for example he fails to settle the advance invoice or other invoice or payment to Seller on time), Seller shall be entitled:
 - to postpone performance of all of his obligations towards Buyer until due fulfilment of Buyer's liabilities,
 - to request the contractual penalty amounting to 0.05% a day from the due amount up to the date of Buyer's liability fulfilment, whereas payment of the contractual penalty does not affect Seller's entitlement to damage compensation,
 - to claim for damage compensation.
- In case of provable changes in prices of energy, raw materials, performances or legislative changes which influence the price of goods, Seller shall be entitled to unilaterally modify the price of goods based on a written announcement sent to Buyer.
- Buyer shall not be entitled, without Seller's prior written consent, to transfer, assign or trade in any way any rights, claims or obligations resulting from the contract.
- If showed after contract conclusion that the payment entitlement of Seller towards Buyer is endangered due to Buyer's insufficient payment ability, or if a bankruptcy proceeding starts against Buyer or if he is subject to liquidation, Seller shall be entitled to reject the performance and determine a suitable time period for Buyer, during which Buyer will provide a guarantee in the stated amount. If Buyer fails to provide the guarantee in the stated amount, Seller shall be entitled to rescind the contract.

V Delivery of goods

- Seller shall supply the goods to Buyer within the deadline agreed upon in the contract. If Buyer is to fulfil certain conditions prior to delivery of goods (e.g. to make payment in favour of Seller), the period for goods delivery starts to lapse after the Buyer has met his obligations.
- Seller shall allow Buyer to take the supply at Seller's registered place in the agreed term. Takeover of the goods by Buyer shall be deemed made upon the moment of goods supply. If Buyer refuses to take the goods from Seller for no reason, the goods shall be deemed delivered upon the moment of such refusal of goods by Buyer.
- In case the goods are ready for supply and the supply cannot be conducted due to reasons caused by Buyer within three working days from the agreed period for its takeover, or from receipt of the announcement to take the goods by Buyer, the supply shall be deemed made upon such third working day, and simultaneously the risk of damage on the goods shall be passed on to Buyer. Seller shall be entitled to further store the goods in Seller's premises or at his discretion to transport and store the goods on another place, all of which at Buyer's

costs. Seller shall be entitled to charge the Buyer with the costs for goods storage amounting to EUR 50 (in words: fifty Euro) for each, as well as started day of storage. The agreed payment conditions shall not be affected thereby.

- In case the Buyer specifies transfer of supply to a determined place in his order, which is different than Seller's registered seat, Seller shall provide the transport at Buyer's costs. In such a case, handover of the supply to the first forwarding agent shall be deemed the moment of goods delivery. Insurance of goods transport shall be established solely upon Buyer's specific request, confirmed by Seller in writing, and at Buyer's costs, unless agreed otherwise in writing.
- Seller shall be entitled to provide the Buyer with partial or premature performance.
- Seller shall not be obliged to supply the goods to Buyer and shall be entitled to cease production of the ordered goods if Buyer is defaulting on payment of any Seller's liabilities towards Buyer under any contract, irrespective of legal title of their origination. Such act shall not be deemed as Seller's delay or breach of contract by Seller.
- If Buyer is defaulting on payment of the price for goods, Seller shall be entitled to unilaterally change the payment conditions, and simultaneously the Seller hereby reserves the right to regain the goods or to re-export the goods. Buyer shall be obliged to fully cooperate with the Seller as required by Seller for regaining the goods or re-export of the goods. Regaining of the goods or re-export shall be fully at Buyer's cost.
- Seller shall supply the goods packed in usual way for the given category of articles to the Buyer. Packing of the goods in returnable containers shall be possible only based on Buyer's request and a written confirmation of such request made by Seller. Seller shall not take the non-returnable containers back from Buyer.
- Seller shall be entitled to deliver by +/- 5 % more or less from the amount of ordered goods. Buyer shall be obliged to settle the purchase price as per actually supplied amount of the goods. Differences in amount found out within the tolerance of +/- 5 % shall not be deemed as faulty goods.
- Seller shall not supply any user guides with the goods.
- Seller shall not bear any liability for delay or for total or partial non-fulfilment of his obligations under the contract within the scope of its fulfilment limitation if there was delay in fulfilment, or the fulfilment was limited due to an event which could not have been reasonably estimated or averted, including the events like lack of raw material, lack of energy, natural disasters, wars, war operations of different kind, revolts, civil disorders, sabotages, revolutions, acts by pirates, explosions, fire, flood, general strikes, strikes, lockouts, official interventions of legal or illegal nature or other circumstances that occur irrespective of Buyer's and Seller's will, which could not have been prevented or averted or overcome (each such event being hereinafter referred to as "force majeure event").
- If Seller is unable to fulfil his liabilities under contract towards Buyer due to a force majeure event, he shall inform the Buyer thereabout.
- If the force majeure event lasts less than 60 (in words: sixty) consequent calendar days, Buyer and Seller shall retain their rights and obligations under contract and the time of such obligations fulfilment, as well as period of validity under contract shall be prolonged by the period of such force majeure event duration.
- If the force majeure event lasts for 60 (in words: sixty) or more consequent calendar days, Buyer or Seller shall be entitled to rescind the contract with effect from receipt of such notice by the other party, without any rights or obligations to damage compensation.
- If Buyer hands over to Seller any documents that confirm transport of the goods to another member state of the European Union, and nevertheless he does not transport the goods to another EU member state, but remakes or modifies the goods or otherwise improves the goods on the territory of the Slovak Republic, and consequently the tax administrator levies additional VAT for Seller due to failure to supply to another EU member state, and at the same time the sanction is levied for him, Buyer shall be obliged to settle the additional VAT and the sanction levied by damage compensation in full amount up to 10 (in words: ten) days after its statement to Buyer.
- If export of the goods to a third country (out of European Union countries) is secured by Buyer, he shall be obliged to conduct it up to 6th (in words: sixth) calendar month following the month in which the invoice was issued. If the goods are not exported in the stated period, Seller shall additionally apply the respective VAT as per valid laws of the Slovak Republic. Buyer hereby undertakes to settle the additional tax to Seller, as well as contingent sanction levied by the tax administrator due to late VAT payment as damage compensation, in full amount up to 10 (in words: ten) calendar days after its statement to Buyer.

VI Ownership and risk of damaged goods

- Risk of damaged goods shall be transferred to Buyer upon the moment when the supply is deemed conducted in compliance with the previous articles. Risk of damaged goods shall be transferred to Buyer upon its handover also if the ownership right to the goods was not transferred to him.
- Risk of damaged goods shall be transferred from Seller to Buyer upon the moment of crediting Seller's account with payment of the price for goods with accessories, contractual penalties and other Seller's claims towards Buyer under the contract.

VII Guaranty and damage liability

- Seller produces the goods as per agreed (international and local) technical specifications for characteristics in terms of dimensions, mechanics, physics, surface or others mutually agreed upon. For the technical specifications and/or other additional Buyer's requirements to be binding under the contract, they must be clearly stated in the contract. Only such technical specifications shall be contractually binding for Seller in terms of quality and features of the goods. There are no other guarantees or obligations by Seller in terms of quality and features of the goods. Seller does not hereby guarantee that the goods supplied are appropriate for usual usage for which such goods are typically used, nor for any specific purpose by Buyer and the Buyer agrees not to rely on Seller's expertise and/or opinion. If the purpose of usage is stated in the contract, it shall only be of informative nature.
- If Buyer breaches any of his obligations to care for the goods during its transport, storage, exposition or inspection as per contractual provisions, Seller hereby reserves the right to reject any claim for faulty goods caused by breach of such obligation.
- Upon takeover of the goods, the Buyer shall be obliged to inspect the goods and make sure that the number of the goods handed over is correct, in case of packed goods that the packaging is complete and check the total state of goods supply, if the goods are in compliance with the contract and if they are faultless.
- Seller shall not provide any guarantee to Buyer for the total state of the goods.
- If the goods were supplied to Buyer based on a technical drawing mutually agreed upon, such technical drawing shall be decisive for judgement of the goods quality.
- Buyer shall be obliged to announce the nature and specification of faults on the goods in writing:
 - in case of obvious faults on goods and differences in the amount of the goods by more than +/- 5 % without any unreasonable delay (eight days at the latest) after inspection of the goods, which must be carried out as per paragraph 3 Article VII of these GBC.
 - in case of hidden faults on the goods without unreasonable delay after their detection, however within the period stated by legal regulations at the latest.

6. Buyer shall be obliged to inform the Seller about the faults on the goods in writing (hereinafter referred to as "the claim"). The claim shall include Buyer's identification data, number of the respective invoices which were issued on the faulty goods, identification data of the faulty goods, description of the fault and the way of fault manifestation, including exact and full photo documentation of the fault. Seller shall be entitled to return the claim to Buyer for replenishment if some of the agreed data is missing in the claim.
7. Buyer shall be obliged to store all the goods to which the claim is applied towards Seller, separately in its original state. Buyer shall not be entitled to use, to sell or otherwise dispose of the goods without prior written consent of Seller. Any such usage, sale or disposal shall result in the fact that the goods are deemed delivered without any faults and in compliance with the contract. Buyer shall not be entitled to enforce any claims from the faults on the goods if he fails to enable Seller to make inspection of the goods or if Buyer fails to provide the claimed goods for inspection.
8. No claim on the goods shall entitle the Buyer to refuse making the payment under contract or to refuse taking over further supplies from Seller.
9. If Seller accepts Buyer's claim, Seller shall be entitled to supply the spare or missing goods in an appropriate period or provide an appropriate price discount.
10. Buyer shall not be entitled to settlement of costs which have incurred to him provably due to additional fulfilment by Seller, mostly the entitlement to costs settlement for transport of the goods, communication, work costs and material costs, if these costs increase by the fact that the goods were additionally transported to a different place than the place of delivery.
11. Seller shall not be liable for faulty goods caused due to transport, non-standard, incompetent or inappropriate storage, usage, installation or testing of the goods, due to reasons related to the goods installation with another goods, attempts to modify or repair the goods without prior written consent of Seller, the reasons related to improper manipulation, transport or storage of the goods, overusing or overloading the goods.
12. In case of unjustified claim, the Seller shall be entitled to settlement of costs incurred in relation to estimation of the faulty goods, mostly the costs of laboratory tests of the goods, transport of the goods and personal costs.
13. Seller shall be liable for damage only in case if such damage occurred by conscious breach of his obligations.
14. Seller's liability towards Buyer is in case of damage compensation limited by price amount settled by Buyer to Seller under the contract.
15. Seller shall in no way be liable to Buyer for indirect costs, mostly costs related to lost profit or expected profit, lost from expected future sale, damage of good name or goodwill and other costs (e.g. costs for re-transport of products, costs for withdrawal of products from the market. Moreover, Seller shall not be liable for damage due to usage of the products, fees and costs for legal representation and contractual penalties, other sanctions or any other claims by which the Buyer is burdened by third parties, due to breach of contract, guarantee or due to other reasons. Seller shall not be liable for damage which cannot be forecasted.
16. Buyer shall be liable to Seller for the fact that Buyer's employees or persons authorized by Buyer that are in Seller's premises comply with all valid regulations related to safety and protection of health at work, fire protection and Seller's work rules. In case of breach of such obligations, Seller shall be entitled to expel these persons from Seller's premises and ban their entrance to Seller's premises. Buyer shall simultaneously be liable to Seller for every and all damage incurred to Seller upon breach of such Buyer's obligation. Buyer shall secure that all his employees and persons authorized by him who enter Seller's premises in relation to loading the goods use personal protective equipment in compliance with respective legal regulations and with Seller's rules and regulations. If a person does not comply with the stated condition, he shall be expelled from Seller's premises.

VIII Correspondence

1. A document delivered as per these GBC shall be deemed delivered to Buyer or Seller also in case that:
 - 1.1. the document sent to Buyer or Seller to the last known address is returned as "a not known addressee", on the date of consignment return to the party which has sent it, also in case that the aggrieved party is not informed about delivery of the document, or

- 1.2. Buyer or Seller fails to take it, on the date of consignment return to the party which has sent it, or
- 1.3. Buyer or Seller refused taking it, on the date of such refusal.

IX General provisions

1. Buyer's defaulting on settlement of a due receivable towards Seller due to a legal entitlement by more than 15 (in words: fifteen) calendar days or failure to cooperate at delivery of the goods by Buyer shall also be deemed as material breach of contract. In such a case, Seller shall be entitled to terminate the contract with Buyer.
2. Upon rescission of contract, it shall be terminated upon the moment when the will of the entitled party is delivered to the other party. After such act it shall not be possible to revoke the effects of contract rescission or amend them without written consent of the other party.
3. Project documentation, technical specifications, samples, catalogues and other Seller's products shall remain Seller's intellectual property.
4. Buyer hereby agrees not to export the goods delivered by Seller to the places banned by EU export regulations.
5. Buyer shall be obliged to inform the Seller about any changes in his trade licence or changes of data registered in the Companies register or other similar register, which have direct influence on conditions and fulfilment of contract, or on commencement of liquidation, bankruptcy or other similar proceedings.
6. Seller considers any data stated in the contract and any information or documents provided to Buyer in connection with the contract as confidential and Buyer hereby undertakes not to pass them or not to provide access to them in any form to any third party, apart from the cases required by law, by a court's decision (including arbitration), a state body or Seller's insurance contract.
7. Buyer shall not be entitled to state the Seller as his business partner or to use Seller's business name or logo at advertising himself or his activity or in statements for the media, in any form, without Seller's prior written consent.
8. These conditions as well as related contracts shall be governed by the Slovak Republic legislation. Disputes arisen out of contracts which refer to these conditions and the disputes resulting from these conditions shall be decided by a respective Slovak court.
9. Seller shall not be liable for compliance with legal regulations valid in the state of import or transit of goods, unless otherwise agreed upon in writing.
10. These GBC shall be regulated and interpreted as per Slovak Republic legislation, irrespective of the UN Convention on contracts for the international sale of goods, approved in Vienna in 1980 and the UN Convention on the limitation period in the international sale of goods approved in New York in 1974, including the supplementary protocol of 1980, whereby the influence of the conventions above on these GBC is expressly excluded.
11. If proved that some of the provisions of these GBC (or their part) are invalid or ineffective, such invalidity or ineffectiveness shall not result in invalidity or ineffectiveness of other provisions of these GBC (or a remaining part of the provision in question), or of the contract itself. In such a case, the Seller and the Buyer hereby undertake to replace such provision (its part), without undue delay, by a new one so that the purpose of the contract and the provision in question is kept.

In Sučany on this day of ...14.6.2011

GGB Slovakia s.r.o.
 Hlavná 1910
 038 52 Sucany
 Slovakia
 Tel. +421 43 40 40 100
 Fax +421 43 40 40 500
 eMail: slovacia@ggbearings.com
www.ggbearings.com