

General Terms of Agreement

1. Definitions

Under these General Terms of Agreement the words below shall have the following meaning: "Agreement": every agreement between the Company and the Client, relating to the sale and purchase of Goods.

"Company": NSK Steering Systems Europe (Polska) Sp. z o.o. with registered office in Kielce, with address as follows: Ul. Mariana Jachimowicza 17, 58-306 Wałbrzych

"Client": a person(s) or company whose order for Goods is approved by the Company.

"Goods": all goods to be supplied by the Company to the Client.

2. Preliminary provisions

a) Each Goods Sales Agreement shall be based exclusively on these General Terms of Agreement.

) All amendments and supplements to these General Terms of Agreement must be in writing on pain of being declared null and void.

b) Each order for goods placed by the Client shall be treated as an offer by the Client to purchase Goods in keeping with these General Terms of Agreement.

c) No order will be binding on the Company prior to the Company accepting it and expressing approval in writing. The Company (without prejudice to other legal remedies available to it) reserves the right to cancel all orders which have not been performed or to withhold delivery in the event of failure by the Client to meet any of its obligations towards the Company.

d) An order approved by the Company may be cancelled by the Client only after receiving written approval to do so from the Company and on condition that the Client fully compensates all of the Company's damages (including the loss of profit, business benefits and damage to the Company's intangible assets), costs, fees and expenditure incurred by the Company as a result of the order being cancelled.

3. Delivery

a) The Company shall make every effort due to meet the deadlines set by the Company for the release of Goods to the Client, however, these deadlines shall be treated as approximate and cannot be regarded as binding.

b) If the deadline for releasing the Goods is not met, the Goods shall be issued to the Client within a reasonable time.

c) The Company shall not be liable for any damage (including the loss of profit), costs, fees or any expenses for which the Client is responsible, brought about directly or indirectly by the delayed issue of Goods (even if this is the result of Company neglect).

d) The Client shall not have the right to withdraw from the Agreement in the event of a delay

occurring in the issue of Goods by the Company, providing such delay does not exceed one hundred and eighty (180) days.

) Unless specified otherwise in writing, the delivery of Goods shall take place in keeping with EXW (Incoterms 2010)

a) Once confirmation has been received in writing that the Goods have been issued to the Client, his representative or carrier (including any representative or carrier determined by the Company for the Client), the Company shall not bear any responsibility whatsoever for the issued Goods, and all risk and costs connected with the delivery of the Goods to the Client shall rest with the Client..

b) Concerning all Goods or claims stemming from shortages in quantity it shall be necessary to immediately notify the carrier and the Company, immediately after receipt on the Client's premises or at the import port, depending on the given circumstances.

c) The Company reserves itself the right to deliver Goods in batches, in which case the Agreement shall be interpreted as binding on all batches of Goods individually. Failure to deliver any of the batches shall not entitle the Client to withdraw from the remaining parts of the Agreement.

4. Ownership:

a) Ownership and the right to use the Goods (despite the delivery of the Goods to the Client) shall remain with the Company up until the time that the Client has paid the Company not only the full price of the Goods but also all other amounts due to the Company.

b) Up until the time that the full payment has been made the Client shall store the Goods for the Company at own cost and risk. Responsibility for damage or loss of Goods shall each time belong to the Client, unless the Client provides evidence that the loss or damage took place even at the time that the Goods were in the possession of the Company

c) Up to the time of payment the Client shall mark and store the Goods in a manner clearly indicating that they constitute the property of the Company.

d) The Company shall have the right to enter at any time, at the cost of the Client, the Client's premises with the purpose of recovering and managing the Goods. The Client shall not make any claims against the Company relating to any of these entries or management of Goods. The Client shall insure the representatives of the Company against any possible claims being made in connection with the above activities.

e) The Parties agree that the Client shall not receive remuneration for storage, Article 842 of the Civil Code shall not

apply.

e) The Client may, under normal business activities, sell or in another manner manage the Goods, a given mixture or transformed Goods, referred to above, but all benefits obtained from such sales or management or equivalent the Client shall transfer to the Company in an amount which corresponds to the entirety of the Client's debt towards the Company.

f) Failure to transfer ownership of Goods to the Client, in keeping with the above provisions, shall have no impact on the Company's ability to pursue payment by the Client of outstanding obligations.

5. Insurance

a) The Company, at the request of the Client, shall obtain marine insurance on the Goods for the Client and shall notify insurers of their dispatch.

b) The Company shall not be held responsible for any neglect or errors in the performance of this request or for abandoning the performance of the request.

c) All costs relating to this insurance shall be covered by the Client.

d) The Client shall immediately reimburse the Company with all costs incurred in connection with the obtaining for the Client of the above insurance.

6. Price

a) The price for Goods shall be calculated in keeping with the Company's pricelist, which shall be current on the day that the Goods are released to the Client, his representative or carrier.

b) The Company reserves the right to introduce changes to the pricelist without the Client's approval; the Client shall be informed of such changes.

c) The prices indicated in the Company pricelist do not include VAT and other taxation. The prices for Goods ordered by the Client shall have added to them VAT or other taxation, binding on the day that the VAT invoice is issued for the ordered Goods.

7. Force majeure

a) The Agreement may not be performed or performed with a delay without the obligation of the Parties to pay compensation in the event of force majeure. Force majeure shall be understood by the Parties as, primarily, all causes beyond the control of the Parties, in particular the following: i. sudden and highly intensive weather and natural events, such as: floods, tornadoes, windstorms, landslides, typhoons, storms, hailstorms, cloudburst, fire and other natural disasters, ii. strikes (including strikes at the Company and of third parties which the company has entrusted with the performance of Goods duties), the laying off of employees, embargos, blockades and epidemics, . lack of power supply independent of the Company whose duration is more than 1

working day,

. martial law, natural disaster or state of emergency.

b) If a Party is affected by force majeure it shall immediately inform the other Party of such fact.

c) If the above circumstances persist for more than one hundred and eighty (180) days, the Parties shall have the right to withdraw from the Agreement.

d) Force majeure cannot constitute the basis for the Client to delay or refuse to effect payment for Goods which have been delivered by the Company to the Client.

8. Packaging

Unless defined otherwise, the prices indicated in the pricelist shall include non-returnable packaging. Returnable containers shall be subject to payment if they are not returned by postage paid despatch, in a good condition, within thirty (30) days from the time of delivery; the Company must be informed about the despatch on the day that the return despatch is performed by the Client.

9. Payment

a) EU Clients

The Client shall make payment in cash on placing the order. Unless the Company stipulates otherwise in writing, payment in cash is due within four (4) weeks from the day on which the invoice was issued. The Company shall issue the Client with an invoice for the Goods on the day that they are released.

b) Non-EU Clients

Orders from Clients outside the European Union are accepted once the payment form from two possible forms of payment has been made;

i. payment in cash at the time of placing the order or

ii. the deposit, placed in a bank indicated by the Company, of an irrevocable and unconditional bank guarantee paid on first demand, issued by a first class bank whose registered office is in the EU, or by a bank which holds a recommendation of a first class bank whose registered office is in the EU, unless the Company had already confirmed another form of payment.

c) the day of payment shall be the day on which the payment is credited to the Company's account.

d) If the Client fails to make any payment under the Agreement within the indicated deadline (without prejudice to other rights and remedies to which the Company is entitled), the Company may calculate interest on the unpaid amount to be paid by the Client, in an amount which does not exceed annually four times the lombard rate at the National Bank of Poland.

e) The Client may deduct amounts due to the Company by any amounts due to the Client from the Company, in keeping

with the provisions under Articles 498 – 508 of the Civil Code.

10. Licences

a) The Client shall be responsible for obtaining all documents, licences and permits, which may be indispensable for the Company when releasing the Goods to the Client. In order to avoid doubt, the Company shall not be held responsible towards the Client for the lack of any documents, licences or permits, referred to above.

b) Some products shall be treated as “double use”, and certain States shall be regarded as limited and, for this reason, subject to limitations and trade and export regulations. The Client shall be responsible for establishing when export and trade limitations may occur and for obtaining the necessary licence or government permit.

11. Description and technical data

a) Even though every effort is made to ensure precision, the descriptions, illustrations and materials appearing in the catalogues, pricelists, brochures, leaflets and other descriptive materials present the general properties of the described Goods and do not constitute a part of the Agreement.

b) The Parties agree that any incompatibility of Goods with the above descriptions, illustrations and materials cannot constitute a basis for any claims whatsoever by the Client towards the Company.

c) The Company reserves itself the right to modify the construction of Goods without notification.

12. Guarantee

a) In keeping with the conditions below, the Company guarantees that all of the Goods that it produces are free of defects in material and workmanship.

b) The sole responsibility of the Company concerning these guarantees shall be limited to the replacement, repair or the offering of a discount (discretionary) on any Goods which, during a period of twelve (12) months from delivery, are returned by paid return post to the Company and which the Company accepts as containing defects in material and workmanship.

c) Under this guarantee the Company shall not be responsible:

i. if the Company is not informed in writing within seven (7) days from the time that defects are detected by the Client;

ii. for any Goods which, during inspection, it is established that the alleged defect was caused in entirety or in part by incorrect use, transport, neglect, overload, incorrect lubricant, incorrect assembly or repair, modification or defects stemming from normal use, untypical work conditions and failure to comply with Company instructions;

iii. for any transport, assembly, dismantling, labour and other costs;

iv. for any goods not produced by the Company, in that the Company shall make a justified effort to transfer to the Client benefits stemming from the guarantees or pledges granted to the Company;

v. when the defect stems from failure by the Client to comply with the written or oral instructions of the Company relating to storage,

assembly, commissioning, using or maintaining the Goods;

vi. if the Client modifies or repairs the Goods without written approval of the Company; or

vii. if the defect in the Goods stems from a design defect in the sketches or technical data supplied or accepted by the Client;

viii. if the Client knew about the defect prior to the issue of the Goods.

d) The Company guarantees that the Goods are appropriate for or adapted to a specific purpose or use. In particular, but without limiting in general the above, the Goods for aviation use may only originate from a supplier with a CAA certificate. If the Goods are to be used for aviation purposes, the Client shall inform the Company of this.

e) The Company guarantees that it holds or, at the time of issuing the Goods, shall hold an appropriate legal title to the Goods, permitting it to engage in sales.

f) The Company guarantees that the Goods are totally free from legal defect, in particular fees or other obligations, of which the Client had no knowledge or was not informed by the Company, and also that the Client shall not be burdened by any obligations or obligations relating to the holding of Goods, with the exception of burdens stemming from the rights to the Goods by the Company or third parties, of which the Client was aware or was informed.

g) The Parties exclude the application of Articles 556–576 of the Civil Code.

13. Limiting liability

a) The Parties decide that all liability arising from the failure to perform or the incorrect performance of the Agreement or of these General Terms of Agreement or conditions connected with the Agreement or the General Terms of Agreement towards the Client, the Company shall bear exclusively in keeping with the principles defined under this point and under point 12.

b) No decision under these General Terms of Agreement or Agreement excludes or limits the liability of the Company for death or injury caused by Company neglect or misleading.

c) The level of any compensation due to the Client from the

Company shall be limited to the price of Goods supplied to the Client by the Company, subject to verification of these prices.

d) The Company shall not be liable in any way whatsoever towards the Client in terms of any losses whatsoever or damages caused by the Client indirectly in connection with the Agreement.

14. Special materials and products

a) When Goods are produced specially according to Client specifications, the Company shall have the right to supply and calculate prices for the quantity of Goods at 10 per cent (10%) higher or lower than ordered.

b) Unless otherwise agreed upon in writing, the company shall have the right to produce, sell or offer to any other clients the goods, produced to the specific order of the Client, or goods which are similar in nature.

c) Concerning Goods produced specially in keeping with Client specifications, the Client shall remunerate the Company for all losses and damages awarded to the Company or incurred by the Company in connection with these Goods, or paid for or accepted by the Company with the purpose of settling any claims relating to the violation of any patent rights, copyright, rights to the design of trademarks and other intellectual property belonging to a person, resulting from the Company using Client specifications.

15. Intellectual property

a) All patent rights, copyright, design rights to trademarks and other intellectual property in connection with the Goods are and shall remain the property of the Company and nothing under these General Terms of Agreement can be interpreted as granting the Client a licence or other right to produce the Goods.

16. Legal interpretation

a) The corresponding law for these General Terms of Agreement is Polish law.

b) For matters not regulated by these General Terms of Agreement application shall be made of the provisions of Polish law, including the Civil Code.

c) All disputes arising in connection with this Agreement and these General Terms of Agreement shall be settled amicably by the Parties. If the Parties fail to reach an Agreement within a period of 30 days, the dispute shall be adjudicated by a court of law corresponding to the address at which the Company's office is registered.

17. Electronic information

a) All information made available by the Company by electronic means shall not constitute in any way whatsoever a source of guarantee.

b) The Company shall hold copyright on such information

c) The above information may be

used solely for the purpose of carrying out purchases from the Company.

18. General provisions

a) Company employees and representatives shall not be authorised to issue opinions or to grant advice or recommendations on Goods without first being authorised in writing to do so.

b) Without prejudice to the provisions under 13(b), whilst concluding any agreement the Client declares that he is not guided by any opinion, advice or recommendation of the above nature, unless it is supported by the referred to permit, and waives all claims arising from the failure by the Company to abide by these opinions, this advice or these recommendations.

c) The Company shall have the right, without prejudice to any other rights or remedies to which it is entitled, to terminate the Agreement or to suspend all further supplies under the Agreement without having to bear any responsibility towards the Client or, if the Goods had been supplied but not paid for immediately, to demand due payment under each of the following circumstances:

i. The Client concludes a voluntary agreement with his creditors, is subject to an administrative order, goes bankrupt, is going into liquidation or has submitted an application for liquidation or a liquidation recommendation has been issued against him (of a different nature than a merger or transformation); or

ii. The creditor takes over a given Client property or asset or a liquidator or administrator has been appointed to take over the above; or

iii. The Client has discontinued or threatens to discontinue business activities; or

iv. The Company, for justified reasons, concludes that one of the above situations could occur.

d) The headings under these General Terms of Agreement are cited only for facilitation purposes and shall have no impact on interpretation of these General Terms of Agreement.

e) All required or permitted messages, sent by one party to the other party under this Agreement, shall be in writing and shall be addressed to the registered office of the other party or to the address where the party performs its major operations. All messages delivered personally shall be regarded as received once they have been delivered; all messages sent by fax shall be regarded as received once they have been sent (on condition that a typical return answer has been received); for all messages sent as “priority mail” application shall be made of the provisions of the Code of Civil Procedure relating to despatches.

f) All rights to which the Company

is entitled under these General Terms of Agreement and this Agreement shall have no impact whatsoever on other rights to which the Company is entitled under these General Terms of Agreement and this Agreement or other than these.

g) Failure to perform or partial failure to perform by the Company of any of the provisions of this Agreement shall not be interpreted as resignation from any of the rights under this Agreement.

h) The Parties shall not have the right to transfer, lease or divide all or chosen rights or obligations stemming from this Agreement without first receiving written approval to do so by the other Party.

i) The Company shall have the right to sub-commission the performance of the Agreement to third parties without the need to seek the Client's approval.

j) The Parties recognise and agree that the company sells Goods solely in its own name and no other person or persons shall be an entity of any contractual rights or obligations stemming from this Agreement.

k) Unless it has been stated clearly, there is nothing under these General Terms of Agreement and the Agreement which may set out any rights to third parties.