

BEARING TECHNOLOGIES, LTD.
PURCHASE ORDER TERMS AND CONDITIONS

1. These terms and conditions cover all purchase orders released by Bearing Technologies, Ltd. and any of its subsidiary companies or divisions (Bearing Technologies, Ltd., North Coast Bearings, LLC and Precision).
2. These terms and conditions are the sole terms and conditions between the parties relating to Bearing Technologies' Purchase Order, and operate to the exclusion of any other terms and conditions, either written or oral. Acceptance of the Purchase Order by the Seller is expressly made conditional upon acceptance of these terms and conditions. If there should be any inconsistency between the terms and conditions of the Purchase Order and these terms and conditions, on the one hand, and any of the Seller's acceptances (whether oral or written), invoices, billing remittances, acknowledgements or other documents or communications, on the other hand, the provisions of the Purchase Order and these terms and conditions shall govern and control.
3. There is no oral understanding or agreement between the parties that differs from the Purchase Order and these terms and conditions. The Purchase Order and these terms and conditions constitute the entire agreement between the parties. No amplification, modifications or variation of the Purchase Order and/or these terms and conditions will be effective or operable unless accepted in writing in advance by Bearing Technologies.
4. Time is of the essence. It is acknowledged by the parties that late or partial delivery by Seller impairs the value of the whole contract to Bearing Technologies. Upon the occurrence or threatened occurrence of any late or partial delivery, Bearing Technologies may, at its option, without waiving any other rights it may have, approve a revised delivery schedule and require at Seller's expense an alternate method of transportation and delivery. Acceptance of late or partial delivery shall not be deemed a waiver by Bearing Technologies of its rights to cancel this order, or refuse further deliveries, or insist upon alternate methods of delivery, or recover damages from Seller. Should Bearing Technologies agree to accept partial or late deliveries in lieu of timely deliveries, Seller shall pay all additional expenses, losses, or costs (including lost profits) reasonably incurred by Bearing Technologies as a result of the failure of the Seller to accomplish delivery in a timely manner.
5. The Seller shall be responsible for any loss, damage or injury which results from or occurs during shipment of goods. The risk of loss during shipment shall be with the Seller, and all goods shall be delivered FOB Bearing Technologies' place of business (INCOTERMS: DDP), unless otherwise agreed in writing by Bearing Technologies. No separate charges shall be made by the Seller for containers, crating, boxes, packaging, shipping, or any other transportation or delivery related expenses. Seller warrants that all products shall be adequately contained, packaged, marked and labeled and registered in compliance with all applicable laws.

6. Goods delivered by Seller are subject to Bearing Technologies' inspection and approval or rejection whether or not there has been prior payment. If goods are rejected as non-conforming, or are found before or after acceptance not to be as warranted, Bearing Technologies may hold or return such goods at Seller's risk and expense, or Bearing Technologies may cancel this order, in whole or in part, and avail itself of any remedies provided for by law and/or these terms and conditions. Seller shall reimburse Bearing Technologies for all reasonable expenses, losses or costs resulting from rejection or revocation of acceptance. The acceptance of any goods by Bearing Technologies shall not be deemed a waiver of Bearing Technologies' rights to cancel the Purchase Order, or to refuse further deliveries, or to seek or collect any damages permitted by law and/or these terms and conditions.

7. Seller warrants that all goods and services delivered pursuant to the Purchase Order shall be free from defects in materials, workmanship and design, shall comply with all specifications, drawings, samples or other descriptions furnished by either party, shall comply with all applicable laws, orders, regulations and standards, shall be suitable for Bearing Technologies' intended purposes, shall comply with all industry and trade standards, and shall otherwise be of high quality and in good working condition. Seller warrants good title to all products and that the products are free from any and all liens, claims, charges, encumbrances and third party rights. The express warranties set forth in these terms and conditions are not intended, and shall not be construed, as a limitation or exclusion of any warranty implied by law or expressly provided by Seller.

8. Seller shall indemnify, protect and save harmless Bearing Technologies, its officers, directors, employees, agents, successors, assigns, licensees, customers and users against all losses or damages caused by the Seller's goods or services, any breach by Seller of the Purchase Order or these terms and conditions, against all royalties, costs, or alleged infringement of any patent, copyright, design rights or other proprietary rights by the goods or services provided hereunder, and against any other loss or damage of any kind or description relating to the goods or services provided hereunder. Seller agrees to provide Bearing Technologies with prompt notice of any communication it receives from any person or company that the goods or services fail to conform with, or have breached, any warranty of any kind or description, including but not limited to any warranty of non-infringement.

9. Bearing Technologies may cancel the Purchase Order at any time, with or without cause, prior to tender of delivery by Seller. Seller hereby waives any damages it may have against Bearing Technologies for lost profits or other consequential or incidental damages caused by the termination of the Purchase Order with or without cause.

10. In the event Seller breaches Purchase Order or these terms and conditions, by failing to make timely delivery, or by delivering non-conforming goods or services, or by breaching the Purchase Order or these terms and conditions in any other respect, then Bearing Technologies shall be entitled to collect from the Seller, in addition to the damages otherwise allowed by law, all costs and attorneys' fees incurred by Bearing Technologies in connection with any negotiations or litigation to recover such damages.

11. The Scope of Bearing Technologies' EU (European Union) RoHS compliance is strictly acting on customer requirements to mandate the restricted use of the following 6 substances (either directly or indirectly): Lead (Pb), Mercury (Hg), Cadmium (Cd), Chromium VI (AKA hexavalent chromium or Cr⁶⁺), Polybrominated Biphenyls (PBB), and Polybrominated Diphenyl Ethers PBDE).

12. The Purchase Order, these terms and conditions, and the purchase of goods and/or services by Bearing Technologies from the Seller pursuant to the Purchase Order shall be governed by the laws of the State of Ohio, notwithstanding any conflict of law provision to the contrary. No transfer or assignment of the Purchase Order or any rights or obligations under the Purchase Order shall be made by either party without the written consent of the other party.

13. Seller agrees to keep in the strictest confidence the Purchase Order, these terms and conditions and all documentation, information and materials related hereto, whether written or oral. Seller shall not use or disclose and shall not permit its employees or agents to use or disclose any such confidential information without the prior written consent of Bearing Technologies except as is necessary to carry out its obligations under the Purchase Order.