



NTN BEARING CORPORATION OF AMERICA

NTN Terms and Conditions of Sale

Offer; Acceptance. These terms and conditions (these "Terms") are deemed part of all quotations, acknowledgments, invoices, purchase orders and other documents relating to the sale of goods and services (the "Goods") by Seller. If these Terms differ in any way from any purchase order, release or other document from Buyer, these Terms shall be construed as a counteroffer and will not be effective as an acceptance of any term thereof except on the express condition that Buyer assents to these Terms; provided that Buyer is deemed to have accepted these Terms upon the earlier of 10 days after receipt without objection and acceptance by Buyer of any Goods.

Warranties. (a) Exclusive Warranty. The exclusive Seller warranty is that the Goods are free from defects in materials and workmanship. This warranty is extended solely to Buyer and not to any successive buyers, users or other third parties. SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, ABOUT THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE GOODS. BUYER ACKNOWLEDGES THAT IT ALONE HAS DETERMINED THAT THE GOODS WILL SUITABLY MEET THE REQUIREMENTS OF THEIR INTENDED USE. SELLER DISCLAIMS ALL OTHER EXPRESS WARRANTIES. (b) Buyer Remedy. The exclusive remedy of Buyer as to any Good is that Seller shall repair or replace (at Seller's option) the Good (with Buyer responsible for labor charges for removal or replacement thereof), such obligation being subject to the following: (i) the Good's application was approved by Seller; (ii) Buyer delivers the Good to Seller with transportation charges prepaid; and (iii) analysis by Seller verifies that the Good was properly handled, installed, maintained, lubricated and not subject to abuse, misuse or inappropriate modification. (c) Damage Limits; Etc. SELLER SHALL NOT BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS OR COMMERCIAL LOSS IN ANY WAY CONNECTED WITH THE GOODS, WHETHER SUCH CLAIM IS BASED IN CONTRACT, WARRANTY, NEGLIGENCE OR STRICT LIABILITY. Further, in no event shall liability of Seller for any act exceed the price of the Good on which liability is asserted. Buyer must commence any action within one year after the sale of such Good by Seller.

Delivery; Packaging. (a) Dates. Delivery and shipment dates are estimated dates only. (b) Partial Shipment; Etc. Each partial shipment is deemed a separate contract for the delivered Goods. (c) Shipment Terms. All shipments are freight collect - FOB shipping point and Seller reserves the right to select transportation methods and routing. (d) Packaging. Seller will package Goods as it deems proper for protection against normal handling and extra charges apply to special conditions. (e) Risk of Loss. Risk of loss will pass to Buyer upon tender by Seller at the point of shipment defined as Seller's dock.

Pricing; Payment; Etc. (a) Pricing. Prices are subject to change without notice, and prices in effect on the shipping date will govern. Any increases in freight rates or transportation charges before shipment will be for Buyer's account. Prices also are subject to increase for any taxes, duties (including dumping duties) or other charges imposed on Seller by any governmental authority for the sale, delivery or use of the Goods. (b) Payment. Terms of payment are net 30 days from the invoice date. If Buyer fails to make any payment when due or Seller otherwise deems itself insecure, Seller reserves the right to change terms of payment and discontinue shipments. Buyer agrees to pay Seller's customary late and interest charges for any failed or late payments.

Inspection; Etc. Buyer promptly shall inspect all delivered Goods. If Buyer does not inspect any Goods

within five days of delivery, Buyer is deemed to have waived its right to inspect and to accept the Goods. Buyer must report to Seller shortages or defective Goods within ten days of receipt. Buyer may not return Goods without Seller's written consent, and Buyer's acceptance shall be final and irrevocable.

Cancellation; Etc. Orders approved and accepted by Seller shall constitute firm commitments of Buyer and are not subject to cancellation or rescheduling. Orders for non-standard Goods may not be canceled at all and such Goods may not be returned for credit.

Indemnities. Buyer shall indemnify and hold harmless Seller, its employees and representatives from and against all liabilities, claims, actions, costs, expenses and disbursements (including attorney's fees and disbursements) related to any investigation, litigation or other proceeding (whether or not Seller is a party thereto) which arises or is alleged to arise from Buyer's acts or omissions under these Terms. Without limiting the foregoing, Buyer shall indemnify and hold harmless Seller and defend or settle any action brought against Seller to the extent that it is based on a claim that any Good made to Buyer specifications infringed intellectual property rights of another party.

Confidentiality; Inventions. (a) Confidentiality. All information and materials supplied by Seller to Buyer relating to the Goods are confidential and proprietary, and Buyer shall limit distribution thereof to its trusted employees and use its best efforts to preserve the confidentiality thereof. (b) Inventions; Etc. If Seller or any of its affiliates makes a discovery or invention pertaining to any research, development or design work contemplated hereby, such discovery or invention shall be the sole property of Seller and licensing shall be at the discretion of Seller.

Force Majeure. Seller shall not be liable for any delay or failure in delivery resulting from causes beyond its control, including earthquakes, fires, floods, strikes or other labor disputes, shortage of labor or materials, accidents to machinery, acts of sabotage, riots, delay in or lack of transportation or the requirements of any government authority.

Miscellaneous. (a) Waiver. No failure or delay by Seller in exercising any right and no course of dealing between Buyer and Seller shall operate as a waiver of rights by Seller. (b) Assignment. Buyer may not assign its rights hereunder without the Seller's written consent. (c) Law. Illinois law (without regard to conflict of law principles) governs. (d) Amendment. This Agreement constitutes the entire agreement between Buyer and Seller relating to the Goods, and no provision may be changed or waived unless in a writing signed by the parties. (e) Severability. If any provision hereof is rendered ineffective or invalid, such provision shall not invalidate any other provision. (f) Setoff. All claims hereunder by Seller are subject to setoff by Seller for any counterclaim arising out of any transaction with Buyer. (g) Tooling; Etc. All materials, equipment, facilities and special tooling Seller uses to manufacture Goods shall remain the property of Seller. (h) Definitions. As used herein, "including" means "including without limitation."