

Winsen/Luhe -04.02.2011

AUTHORIZATION

For

SC BAZA DE APROVIZIONARE SI DESFACERE RULMENTI S.A. BRASOV
111, Zizinului Street, Brasov, Romania

We hereby confirm that company **SC BAD Rulmenti S.A. Brasov** is an authorized distributor of "KFB Germany" brand bearings on Romanian market, in 2011 year.

Yours faithfully

KFB Clarfeld Germany Handelsgesellschaft mbH

~~KFB Clarfeld Germany
Handelsgesellschaft mbH~~
Bürgerweide 22
21423 Winsen/Luhe
Claudia von Scheven
Tel.: 04171-88 93 93
Fax: 04171-88 93 93

KFB Clarfeld Germany Handelsgesellschaft mbH
Postfach 14 43 · D-21414 Winsen/Luhe

General terms and conditions

1. Scope

- 1.1. All of our offers, services and sales are effected solely on the basis of these General Terms and Conditions. They shall constitute a part of all contracts concluded with our contracting partners (hereinafter referred to as "Buyers") regarding the goods and services offered by us. Differing or contrary terms proposed by the Buyer shall not apply except if expressly agreed upon in writing. Otherwise, they are hereby conclusively objected to. Neither our failure to answer to the remittance of the Buyer's conditions nor the execution of an order itself shall be regarded as our acknowledgement of the Buyer's conditions.
- 1.2. The provisions of these General Terms and Conditions shall be applicable vis-à-vis a merchant in the course of business only.

2. Offer

- 2.1. All of our offers are non-binding, unless expressly acknowledged as binding or containing a specific acceptance period. Orders of the Buyer shall only be binding upon our written. Our written order confirmation shall determine the contents of each contract. Any ancillary agreements, amendments and alterations, extensions etc. require our written approval. No illustrations, information (including but without limitation information concerning weights and measures), technical data or industrial standards and designs contained in our price lists, brochures, cost-forecasting statements or quotations or any other data or information supplied by us to the Buyer shall constitute a product guarantee unless expressly acknowledged by us in writing.
- 2.2. Where delivery of the goods is produced as an special make up to customer specifications by us, we reserve the right to deliver up to 5% more or 5% less than the quantity ordered without any adjustment in the price, and the quantity so delivered shall be deemed to be the quantity actually ordered.

3. Delivery and partial delivery

- 3.1. Unless definite terms or definite deadlines for deliveries and services are promised or agreed upon, delivery terms and deadlines quoted by us are to be viewed as an approximate delivery time only.
- 3.2. As far as shipment is agreed upon, delivery terms and delivery times refer to the date of the handover to the shipper, carrier or other third party carrying out the transport.
- 3.3. We are not liable for non-compliance of delivery or for delivery delays, as far as these events are caused by force majeure or other causes that were unforeseeable at the time of the conclusion of the contract (e.g. disruption of operations, difficulties with the procurement of materials and energy supply, transport delays, strikes, lawful lockouts, deficiency of manpower, energy or raw materials, difficulties with the procurement of necessary regulatory permissions or official provisions) that occur to us or any of our subcontractors and that are not caused due to our doing. We have the right to rescind from the contract in case such events substantially complicate or render the delivery or services impossible, unless the hindrance has only a temporary duration. In addition to an adequate start-up period, hindrances of temporary nature will prolong the delivery or service terms or postpone the delivery and service dates for the period of the hindrance. Insofar as due to the delay of delivery or services the Buyer cannot be expected to accept the order, he may with immediate written notice rescind from the contract.
- 3.4. If a fixed time for delivery is agreed upon and we fail to deliver within such time (or any extension period agreed upon), the Buyer shall be entitled, by written notice, to claim damages of 0.5% per week (and up to a maximum of 5%) of the price payable under the contract, unless it can be reasonably concluded from the circumstances of the particular case that the Buyer has suffered no damages. The aforementioned limitation shall not apply if the business had to be settled on a fixed date or if the delay was caused negligently or intentionally by us, our agents or representatives or if there is any further breach of any essential contractual obligation.
- 3.5. Every rescission has to be effected by written notice.
- 3.6. We are entitled to make part deliveries if
 - (i) the part delivery is of use to the Buyer within the contractual purpose;
 - (ii) the delivery of the remainder of the goods ordered is ensured and
 - (iii) no substantial additional expenditure or costs are incurred upon the Buyer as a result of this (unless we accept to assume these costs).

4. Prices

- 4.1. Unless expressly agreed upon, we shall invoice our goods and services according to the applicable prices and discounts applicable on the date of delivery or performance. Orders with a gross contract value of less than € 50,00 will be calculated based on list prices without any deductions. The sales tax will be invoiced separately.
- 4.2. We reserve the right, by giving notice to the Buyer at any time before the delivery, to adjust the price of the goods to reflect adjustments which are beyond our control (such as foreign exchange rates, currency regulation, alteration of duties, significant increase in the costs of materials or other costs of manufacture) or which result from the change of suppliers.

5. Shipment

- 5.1. Shipment is effected ex works to the expense and risk of the Buyer. Shipping instructions proposed by the Buyer shall not be binding, unless explicitly acknowledged by us in writing.
- 5.2. Containers, iron-barred boxes, cartridges and pallets and other reusable packaging remain property of the respective owner and must be returned by the Buyer without undue delay and at no extra costs. We will invoice wooden boxes, cartridges and other disposable packaging at cost and will not take back such packaging.
- 5.3. If the shipping is delayed by reason of the Buyer, the risk shall transfer to the Buyer with effect of the readiness of the goods for shipment and a corresponding notification to the Buyer. We are entitled to charge the Buyer with the costs arising from the storage in our repository, at least 1% of the total contract value for each month of delay. We reserve the right to claim additional storage costs; the Buyer may render the prove of less storage costs.

6. Payment

- 6.1. Our claims are due and payable net within 30 days from the date of the invoice in the contractual currency; any charges in connection with the payment shall be borne by the Buyer.
- 6.2. After the due date as per 6.1 Sentence 1 above, we are entitled to default interests in the amount of 5% p.a. We reserve all rights to claim further damages and interests for delay.
- 6.3. Payment with bills of exchange must be agreed separately, whereby discount charges shall be paid by the Buyer immediately on presentation of the bill. Bills and cheques shall only be accepted by way of performance. In the case of bills or cheques drawn on outlying places or abroad, we shall not assume any obligation for punctual presentation or protest.
- 6.4. The Buyer shall be entitled to offset and retention rights only insofar as the Buyer's counterclaim is acknowledged, undisputed or assessed in a legally binding judgment.

7. Title Retention

- 7.1. Notwithstanding the delivery and the transfer of risk, or any other provision of these General Terms and Conditions, the property in the goods shall not pass to the Buyer until we have received payment in full of the purchase price of the goods to be sold by us to the Buyer for which payment is then due. We are entitled to insure the delivery item at the expense of the Buyer, unless the Buyer has already done so. The Buyer shall handle the goods with due care and store them appropriately.
- 7.2. The Buyer may - under exclusion of other acts of disposal and at our discretion - resell goods subject to the above retention of title only in the course of his regular business. The Buyer therefore hereby assigns all claims arising out of such resale, whether the goods have been processed or not, to us. The Buyer shall be authorized to collect any receivables from the resale of goods as long as he meets his payment obligations. The Buyer shall provide us upon demand with information necessary for the collection, deliver documents, give notice of assignment and provide us with certified documents about the assignment of the claims. We are entitled to notify the garnishee of the assignment of the claims in the name of the Buyer. In case of a resale of our goods together with third party property, the claim of the Buyer against his recipient shall be deemed to be assigned to us in the amount of the our total invoice.
- 7.3. The Buyer's right to resale according to 7.2 above expires in case of a cessation of payments or upon the disclosure of insolvency proceedings.
- 7.4. We shall on demand of the Buyer release any part of the collateral if the value of the collateral held in our favor exceeds the value of the claims being secured by more than 10%. The decision of what parts of the collateral will be released in that case shall be at our own discretion.
- 7.5. In case of default of payment, uncertainty about the financial situation or aggravation of the financial situation of the Buyer, the Buyer shall be obliged to release the goods subject to retention of title on our demand. In the event of a pledge or any third party action against our goods delivered under retention of title, the Buyer shall immediately inform us about such action.

8. Warranties

- 8.1. This section governs the extent to which we warrant our goods or limit our liability in all cases of deficiencies in delivery, manufacture, assembly of goods, maintenance and fulfillment of other contractual obligations. Otherwise, all warranties are excluded as far as lawfully admitted.
- 8.2. We warrant that the goods delivered by us will conform to the specifications and will be in conformance with current engineering standards. We shall not be held liable for guarantees of quality unless explicitly acknowledged in writing.
- 8.3. We shall not be liable as to any goods which have been subject to improper operation, maintenance or storage, accident, alteration, abuse or failure to follow normal operation procedures or to damage sustained due to natural wear and tear.
- 8.4. Our liability and the Buyer's exclusive remedy for breach of warranty shall be the repair or replacement of the defective goods or parts thereof at our own discretion unless one of the two remedies is impossible. We reserve the right to issue credit vouchers amounting to the value of the defective goods. The Buyer shall, at our request, return to us at no costs the defective goods or parts thereof. If there is a breach of warranty, and we decide to repair or replace the defective goods, we will bear the costs of repair or replacement and any of the costs of shipment including the costs of assembly and disassembly, provided that such costs remain within a reasonable proportion to the value of the defective goods. We shall not be liable if the Buyer repairs or alters the delivered goods without our cooperation or if maintenance or installation instructions have not been met. Upon notification to us, the Buyer shall only have the right to repair the defects at his own costs in urgent cases or in order to avert disproportionate damages. We shall then compensate the Buyer's loss amounting to the cost that would have been incurred by us. The Buyer is obliged to grant us the possibility of repair after prior consultation. If we neither repair nor replace the defective goods, the Buyer shall be entitled to rescission after having set an adequate respite.
- 8.5. Warranty claims shall be time-barred after half year of delivery.

9. Liability for damages

- 9.1. In case of intent or gross negligence on our part or by our agents or assistants in performance we are liable according to the provisions of applicable law; the same applies in case of breach of fundamental contract obligations. To the extent the breach of contract is unintentionally, our liability for damages shall be limited to the typically predictable damage.
- 9.2. Our liability for culpable damage to life, body or health as well as our liability under the Product Liability law shall remain unaffected.
- 9.3. Any liability not expressly provided for above shall be excluded.

10. Charts and other documents

We retain all industrial property rights, including copyrights with respect to our cost estimates, drawings and other documents that may be transferred to the Buyer. These documents shall not be used for any purposes other than stipulated by us, nor shall they in any case be made available to third parties.

11. Secrecy Obligations

Information received by us in connection with the handling of business transactions shall be treated by us in accordance with applicable legal provisions.

12. Final Provisions

- 12.1. The legal venue for any disputes arising from the business relations between ourselves and the Buyer shall be Winsen/Luhe, Germany. We shall also have the right to bring actions at the registered office of the Buyer, Winsen/Luhe, Germany is the sole legal venue for actions against us. Compulsory statutory provisions relating to exclusive jurisdiction shall remain unaffected by this rule.
- 12.2. The relations between ourselves and the Buyer shall be governed and construed solely in accordance with the laws of the Federal Republic of Germany (the UN Sale of Goods Convention (CISG) shall not apply).
- 12.3. If the contract or these General Terms and Conditions leave any matters unregulated, such matters shall be deemed to be regulated by such legally-valid rules as the contracting parties would have agreed upon in accordance with the economic objectives of the contract and the purpose of these General Terms and Conditions, had they noticed the lack of regulation.