

**GENERAL TERMS AND CONDITIONS OF SALES
OF “IN-BEAR” FIRMA PROMOCYJNO-MARKETINGOWA -
“IN-BEAR” PROMOTION-MARKETING FIRM
WITH ITS REGISTERED OFFICE IN GDYNIA, UL. INŻYNIERSKA 39/1**

These provisions constitute principles under which Firma Promocyjno-Marketingowa IN-BEAR with its registered office in Gdynia, ul. Inżynierska 39/1, herein and after referred to as “Seller”, enters into and performs concluded agreements, the said provisions herein and after referred to as “General Terms and Conditions” or “GT&C”.

I. General Principles

1. These General Terms and Conditions of Sales shall apply to all agreements concluded by the Seller, unless the Seller has accepted departure from the principles described in these General Terms and Conditions, in a written form, otherwise this departure shall be nil and void.
2. No terms and conditions applied on the part of Clients shall be applicable with respect to the agreements concluded by the Seller, unless this has been explicitly provided in such an agreement.
3. These General Terms and Conditions of Sales relate exclusively to the agreements concluded by the Seller with entrepreneurs (Clients); they do not relate to any agreements concluded by the Seller with individual persons who purchase the items for purposes not associated with their business or professional activities (Consumers).
4. Any price lists, catalogues available at the Seller’s, including those on its Website, do not constitute offer within the context of Article 66 (and subsequent) of the Civil Code, but only an invitation to conclude an agreement.
5. In cases when there occur irreconcilable variances in the content of documents submitted by the parties with respect to the conclusion of an agreement (inquiries, orders, offers, and the like) and that of the agreement the text of the concluded agreement shall be overriding and binding.

II. The object of Sale:

1. The Seller offers for sale bearings and plain bearings originating from their manufacturers (goods).
2. The Seller is not manufacturer of the materials sold.
3. The sales include exclusively elements of the goods explicitly specified in the agreement.
4. In the event when Client requires to be provided with attestations, official prototype test results (homologation), certificates, etc., to accompany the goods, such requirements must be explicitly specified by the Client before concluding the agreement. Any later demand in this respect from the part of the Client need not be considered by the Seller.

III. Conclusion of Agreement

1. Conclusion of an agreement is executed following an offer prepared by the Seller.
2. The Seller prepares an offer in response to an enquiry addressed to the Seller by a Client (enquiry may also be submitted by completing a form available on the Seller’s Website www.inbear.pl)

3. In its enquiry, the Client should determine all features of the material expected by it, purpose of its use and, possibly, enclose drawings, etc.
4. Upon the received enquiry, the Seller will prepare an offer aiming to conclude agreement. The Seller's offer shall bind him till the time specified in its content. In case of failure to specify the binding time of the Seller's offer, the offer shall bind the Seller for the period of 90 days from the date of drawing it up. Regardless of the binding time of the offer and of the way it has been determined, the offer shall automatically cease to be binding upon the Seller at the moment when the prices at the stock market from which the manufacturer acquires its raw materials to make the goods covered by the offer and with whom the Seller cooperates have changed by more than 5% when compared with the price of the day when the offer has been drawn up. The Seller shall immediately advise the Client about the fact that the offer has ceased to be binding for this reason. The Client shall not be entitled to any compensation/damages for this reason.
5. Conclusion of the agreement occurs at the moment when the Client has accepted the offer in writing. The Seller shall recognize the offer as accepted exclusively upon the Client's written declaration from the content of which it results unambiguously that the Client has accepted the Seller's offer. Confirmation of the fact of receiving the offer shall not be deemed as acceptance of the offer.
6. Acceptance of the offer by the Client may occur exclusively on a no-reservation base. Acceptance, by the Client, of the offer with reservation of any changes, including reservations to exclude or limit application of these General Terms and Conditions of Sales, including reservation that the agreement would be concluded under terms and conditions of sale applicable in the trade run by the Client shall be considered to be a new offer submitted, this time, by the Client to the Seller and shall not constitute conclusion of an agreement.
7. Conclusion of the agreement according to the offer and/or under the Client's terms and conditions shall take place exclusively in case of the Seller's explicit, written (or shall be nil and void) declaration on the acceptance of such an offer and/or Client's conditions.
8. Addressing by the Client of an offer to the Seller with the intention to conclude an agreement shall be treated as enquiry and in any case for the agreement to be concluded the Seller, following the content of the enquiry, shall draw up an offer to be accepted by the Client.
9. All and any declarations made for the purpose of concluding an agreement shall require a written form or shall be nil and void, provided that the letter may be delivered to the other party also through fax or electronic mail.
10. Any declarations made for the purpose of concluding an agreement shall be signed by persons authorized to make declarations of will on behalf of the Client, however, when their authority does not result from particulars found in relevant registers, such declaration should be accompanied by a document confirming existence of a valid and effective powers of the persons putting their signature.
11. This way of concluding agreements, including necessity to make declaration on the acceptance of the offer, shall also apply to Clients with whom the Seller has continuing and permanent business relations, and failure to make a declaration on the rejection to accept the offer by the Seller shall not mean its acceptance.

IV. Prices and Payment Conditions

1. The prices of the goods offered by the Seller for sale, specified by the Seller in the current price lists and catalogues are denominated in Euro and cover exclusively the price of the material upon personal collection base by the Client at the Seller's store in Gdynia.

2. The prices of the goods specified in the price lists, catalogues and offers do not include:
 - Cost of transporting the goods to the Client,
 - Insurance,
 - Special packaging,
 - Special documentation, including attestations, certificates, official prototype test results (homologation), etc. if this will be explicitly specified by the Seller before concluding an agreement,
 - Tests at outside test centres,
 - Other possible Client's special requirements.
3. The prices of the goods specified in the price lists, catalogues and offers do not include tax on goods and services.
4. The costs of transport, insurance, special packaging, special documentation (including attestations, certificates, official prototype test results (homologation), tests at outside centres and other possible Client's requirements shall be determined separately.
5. The prices of the materials shall be payable in PLN after converting the prices denominated in Euro according to an average exchange rate of the National Bank of Poland (NBP) Table A as of the day of issuing the invoice.
6. In the event when in settlements with the Client a Pro-Forma invoice has been issued, the foreign exchange rate of Euro to PLN applied to the Pro-Forma invoice shall be that of the day of the final invoice.
7. Taxes on goods and services shall be added to the prices in the amount applicable on the day of issuing the invoice.
8. The Seller shall issue the invoice on the day of shipment of the goods to the Client, always when the transport shall be the duty of the Seller, while in case when the Client collects the goods within its own discretion, the Seller shall issue the invoice on the day on which the Seller has informed the Client on readiness of the goods for collection.
9. Time limits and payment terms shall be, each one time, set in the agreement with the Client, provided that the payment deadline shall be counted from the day of issuing the invoice by the Seller.
10. The day of payment shall be deemed the day when the due amount has been credited on the Seller's bank account.
11. In case when the Client is in delay with payment of the price for more than 14 days, in a situation when the average exchange rate of Euro (established according to Item III @? Section 5 of the General Terms and Conditions of Sales) has increased by over 3% when compared with the foreign exchange rate adopted as the base for calculating the selling price, the Seller shall have the right to issue, at any time starting from the 15th day of the delay in payment, a corrective invoice with consideration taken to the change of the price and to demand payment of that higher amount.
12. In case when between the date of concluding the agreement and the date of delivery amount constituting the costs of the price of the goods have increased by more than 3%, the Seller shall have the right to demand the price increased by the amount of the cost increase.
13. The Seller shall not accept payments in the form of bills of exchange or letters of credit.

14. In case when the Client is in delay with the payment of the price the Seller, irrespective of other rights resulting from the delay, shall have the right to demand statutory interests for the whole time of the delay.
15. In case when the Client is in delay with the payment of the Price the Seller shall have the right to refrain from performance of any agreements not completed till that moment, till the time when all payments of the price have been settled.
16. Existence of any arrears in the payment by the Client, for the Seller's benefit, under any agreement, shall give the right to the Seller to perform any deliveries provided that prior payment of the price has been executed irrespective of any previously established payment deadlines.
17. In case of existence of any arrears on the part of the Client, the Seller shall have the right to recognize first the payment made by the Client as repayment of the oldest debt, irrespective of the Client's declaration regarding the title of payment declared by him. The Seller, recognizing the payment according to the terms described in the previous sentence, shall have the right to recognize first the payment on the account of secondary dues and only then on the account of major dues.

V. Time Limits and Terms of Deliveries

1. Delivery deadlines are specified in terms of weeks of the year in which the agreement has been concluded.
2. The deadline shall be counted starting from the week following the week in which conclusion of the agreement has occurred.
3. The condition for the course of delivery performance to start is delivery by the Client of all necessary documents, confirmed technical documentation (if these have to be delivered to the Seller shall result from the concluded agreement, from provisions of law or commonly accepted practice in the trade) and payment by the Client of the fixed price (if necessity of an earlier payment results from the concluded agreement or from execution of the Seller's right specified in Item III Section 14 of the General Terms and Conditions of Sales).
4. In case when the Client's obligations to exercise the duties described in Item IV Section 3 of the General Terms and Conditions of Sales have occurred during the course of delivery performance, then delivery deadline shall be suspended at the moment when the Client has been advised, by the Seller, on such an obligation (however, when such obligation shall result from the provisions of law, then suspension will occur automatically at the moment when provisions imposing such an obligation on the Client have become legally effective) and the course of delivery performance will start from the moment the Client has fulfilled such obligations.
5. In case when delivery is performed in other way than personal collection by the Client, the delivery time limit is deemed satisfied if within this time the Seller has handed over the goods to the carrier (courier firm or any other carrier agreed with the Client).
6. In case of personal collection by the Client or transport performed through the Client's carriers, the Seller shall advise the Client on the day of readiness of the goods issue what shall mean the date of delivery completion. . In case the Client has not collected the goods, the Seller shall have the right to claim all cost associated with necessity to store the goods
7. The Seller shall not be responsible for delay in delivery if this is associated with occurrence of circumstances for which the Seller is not responsible, and in particular it this is a result of an operation of: Force Majeure, interference of unauthorised persons into the Seller's IT systems, foreign law regulations, strikes, blockade of roads, shortages or interruptions in the supply of electrical energy, acts or nonfeasance by bodies of states, and in particular those

by customs or tax authorities, delays in delivery from the part of manufacturers, acts or nonfeasance by carriers or forwarders.

8. The Seller shall issue the goods for transport packed and secured in a way adequate for the goods.
9. The Seller shall not be responsible for damage to the goods resulting from its carriage.

10. Upon the Client's request and against additional fee, the Seller may insure the goods for the duration of its transport.
11. In case of a delivery performed by the Seller the goods shall be delivered through the courier firm selected by the Seller. The cost of delivery, unless agreed otherwise, shall be incurred by the Client.
12. In case when delivery is performed by a carrier (courier) designated by the Client the moment of delivery and that of the transfer of any risk associated with the goods onto the Client, shall be deemed the moment when the goods have been handed over for carriage designated by the Client.

VI. Claims and the Seller's Responsibility for Defects of the Goods.

1. Claims against the Seller with respect to defects of the goods is possible exclusively under the provisions of this Item VI of the General Terms and Conditions of Sales.
2. Liability under warranty rights for defects, as provided in Article 556 (and subsequent) of the Civil Code shall be excluded.
3. The Seller shall be responsible for physical defects of the delivered goods that exist at the moment of issuing them to the Client or that result from a cause existing in the goods at the same moment although they were revealed later on. Slight differences in the goods that do not have impact of the goods functionality do not constitute physical defects.
4. The Seller shall not be responsible for physical defects of the goods if such goods:
 - Do not represent properties that it should have to represent with regard to the purpose defined in the agreement or resulting from the goods intended use;
 - Do not have properties that should have them because the Seller has assured the Client on their existence,
 - Do not fit the purpose on which the Client advised the Seller when concluding an agreement and the Seller has not made any objection as to such intended use;
 - Have been issued to the Client in an incomplete condition.
5. The Seller shall not be responsible for physical defects of the goods if they result (or remain in a cause-effect relation) from normal wear and tear, improper assembly, excessive or improper use, application of improper consumables, failure by the user to consider all factors influencing the operation of the delivered goods of which the Seller should have been advised at the moment when the Seller prepares the offer. The Seller shall not be responsible for defects resulting from any changes or alterations made by the Client or third persons.
6. In case of any physical defects in the delivered goods the Seller shall replace the defected goods with the ones free of defects within 14 days from the time of submitting such a request by the Client whenever the request has been submitted within 3 months from the day the goods have been issued to the Client. The Seller shall not be responsible for the defects revealed after expiry of this three month time and shall not be obliged to replace the goods with the ones free of defects.
7. It is the condition for the Client to exercise its right to have the goods replaced with the ones free of defects that the Client has the duty to examine the delivered/issued goods immediately after revealing the defect and to inform the Seller on the revealed defects within 3 working days.
8. Apart from claiming to replace the goods for the ones free of defect the Client shall have no other claims associated with physical defects, including claims for indemnity, unless it is a deliberate fault of the Seller.

VII. Responsibility for Failure to Perform and Improper Performance of the Agreement

1. The Seller shall be responsible for a loss resulting from failure to perform or improper performance of the agreement caused exclusively by his deliberate intent.
2. The Seller shall be responsible exclusively for regular and adequate effects (consequences) of its action or nonfeasance.
3. With reservation of other provisions of the General Terms and Conditions of Sales the Seller's responsibility for a loss shall be limited exclusively to a real loss (real damage). The Seller shall not be responsible for any other losses, including lost benefits, indirect losses, nor any other Client's losses associated with failure to perform or improper performance of the agreement by the Seller.
4. In case of delay in delivery/issuing the goods to the Client by the Seller, the Client, provided that the Client has proved that he has incurred a loss in this respect, shall have the right to indemnity up to the amount constituting the product resulting from the number of the days in delay multiplied by the amount equal to 5% of the net price of the goods delivered/issued in delay, provided that the total amount of the indemnity under this title may not exceed 5% of the net price of these goods. This limit shall not be applicable in a situation when the delay is a result of the Seller's deliberate intent.

VIII. Withdrawal from the Agreement and Returns

1. After concluding agreement Client's resignation from the order is possible exclusively upon the Seller's written consent or this shall be nil and void. In such a case the Seller shall have the right to demand from the Client all costs incurred by the Seller associated with resignation from the order and coverage of all and any losses suffered by the Seller in this respect.
2. In case of a delay in delivery of the goods the Client shall have the right to withdraw from the agreement exclusively after a prior call for the Seller to complete delivery by indicating additional, at least 21 day, time limit counted from the day of delivery of the said call.
3. In case of failure from the part of the Seller to fulfil the time limit for the causes/reasons not being the Seller's fault, the Client shall have the right to withdraw from the agreement exclusively after a prior call for the Seller to complete delivery by indicating additional, at least 21 day, time limit counted from the day of delivery of the said call, however the Seller shall have then the right to claim the already incurred costs associated with the concluded agreement.
4. In case the goods are delivered in part, the right for the Client to withdraw from the agreement caused by delay or by failure of the Seller to satisfy the time limit for causes/reasons not being the Seller's fault shall refer exclusively to that part of the goods that are affected by the delay or by failure to satisfy the time limit for causes/reasons not being the Seller's fault.
5. In case when after having concluded the agreement it has proved that its performance by the Seller is impossible the Seller shall have the right to withdraw from the agreement at any time. The Seller shall advise the Client on impossibility to perform the agreement. In case when impossibility to perform the agreement is a result of the Seller's fault the Client shall have the right to obtain indemnity in the amount of 10% of the net price of the goods that are affected by the withdrawal. In case when impossibility to perform the agreement does not result from the Seller's fault, the Client shall have no right to indemnity. In case when impossibility to perform the agreement refers to a part of the goods that should be delivered in parts, withdrawal and the right to indemnity shall relate to that part of the goods delivery of which

has become impossible, unless, in the agreement, the Parties explicitly determine that partial performance of the agreement is of no significance for the Client.

IX. Reservation of ownership rights

1. Till the moment the Client has made full payment, for the Seller's benefit, of any money due resulting from the agreement the goods delivered by the Seller remains the Seller's property.
2. In case when the goods have been connected with (fitted to) other objects in a way making it impossible to disconnect them without destroying or damage them or the way that causes impairment of the value of the goods or that of the object, the Seller, instead of the reserved ownership right to the goods, shall hold a share in co-ownership of an item made in this way, in part in which the value of the Seller's share is proportional to the value of the whole item.
3. The Client shall not have the right to dispose the goods with respect to which the Seller holds a reserved ownership right, including its sale, burden (including its pledge) or alienation as security. This reservation also regards the things specified in Item IX Section 2 of the General Terms and Conditions of Sales.
4. In case of any acts made by a third person with respect to the goods that is covered by the reserved ownership right that may infringe or threaten them (e.g.: seizure, statutory pledge, and the like) the Client shall be obliged to immediately advise the Seller on such acts and on the entity that makes it, and also to advise the entity performing these acts on the Seller's right and also to undertake, on the Client's cost, any actions in order to secure the Seller's rights. In case when such actions and costs have to be incurred by the Seller itself, the Client shall have the duty to cooperate with the Seller in actions aiming to protect the Seller's rights, while the Seller shall also have the right to claim from the Client the return of all costs resulting in this respect.

X. Copyright

In case when, in connection with the agreement and any specific projects for which the Client purchases the goods, the Seller has worked out any cost estimates, drawings, technical documentation or any other documents that bear features of a work in terms of copyright and are associated with any specific project the copyright and any personal and authorship property rights shall rest with the Seller. The Client shall have the right to use them exclusively for purposes associated with the performance of the project for which they have been worked out. The use of them by any other person or by the Client, for the purposes other than the project for which they have been worked out shall be possible exclusively under separate agreement (licence) concluded with the Seller.

XI. Concluding provisions

1. In matters not specified in these General Terms and Conditions of Sales general provisions of law, and in particular those of the Civil Code, shall be applicable.
2. All agreements concluded with the Seller shall be governed by the Polish law.
3. In case when agreements have been drawn up with an accompanying version in a foreign language the overriding shall be the version in the Polish language.
4. Any matters (disputes) regarding the agreements concluded with the Seller, Polish courts shall be competent (Polish jurisdiction) and specifically courts competent with respect to the subject matter and the Seller's registered office