

SEW-EURODRIVE MEXICO, S.A. DE C.V.

Terms and Conditions of Sale

1. GENERAL

All orders for products and drawings furnished in connection therewith (hereinafter collectively called "products") manufactured

or supplied by SEW-EURODRIVE México, S.A. de C.V. ("Eurodrive"), shall be subject to these terms and conditions of sale. No modifications or additions hereto will be binding unless agreed to in writing by an authorized officer of Eurodrive.

2. QUOTATIONS

Price quotations by Eurodrive are subject to change without notice. All products sold are subject to price in effect at time of shipment.

3. TAXES

Prices do not include Sales, Use, Excise, or other taxes payable to any governmental authority in respect of the sale of Eurodrive's products. The purchaser shall pay

the amount of any such taxes or shall reimburse Eurodrive for the amount thereof that Eurodrive may be required to pay.

4. PAYMENTS

Unless otherwise provided, terms of payment are 30 days net from date of invoice for purchasers whose credit is approved. Eurodrive reserves the right to charge

interest on any balance outstanding at 2% per month (or fraction thereof) or as Eurodrive shall determine, up to the maximum rate allowed by law, from the date

payment is due to the date payment is actually received. Pro rata payments shall become due as shipments are made. If shipments are delayed by or at the request of

the purchaser, payment shall become due when Eurodrive is prepared to make shipment. If the cost to Eurodrive of products is increased by reason of delays caused by

the purchaser, such additional cost incurred by Eurodrive shall be paid by the purchaser. Eurodrive may, if it deems itself insecure by reason of the financial condition of

purchaser or otherwise, require full or partial payment in advance and as a condition to the continuance of production or shipment on the terms specified herein.

5. ACCEPTANCE

No order or other offer shall be binding upon Eurodrive until accepted in writing by an authorized officer of Eurodrive.

6. CHANGES

Eurodrive will not accept changes in specification unless such changes are requested in writing and agreed to in writing by an authorized officer of Eurodrive and the

purchaser agrees to pay, if necessary, in addition to the original purchase price a sum so set by Eurodrive.

7. CANCELLATION

Any order when placed with and accepted by Eurodrive is not subject to cancellation unless agreed to in writing by an authorized officer of Eurodrive. Cancellations are

subject to reasonable charges based upon expenses already incurred and commitments made by Eurodrive.

8. DELIVERY

Any indicated dates of delivery are approximate only, but Eurodrive will attempt to meet them where possible. Eurodrive shall not be liable for delays in manufacturing or

delivery or failure to manufacture or deliver due to any event in the nature of force majeure or any cause beyond Eurodrive's reasonable control. Eurodrive will not be

bound by any penalty clause contained in any specification or order submitted by the purchaser unless such clause is agreed to in writing by an authorized officer of

Eurodrive. Delivery of products shall be made FOB Eurodrive's factory unless otherwise agreed to in writing by authorized officer of Eurodrive.

9. REGULATORY LAWS OR STANDARDS

Eurodrive makes no representation that its products conform to state or local laws, ordinances, regulations, codes or standards except as may be otherwise agreed to in

writing by an authorized officer of Eurodrive.

10. LIMITED WARRANTY

Eurodrive warrants all its products against defects in material and workmanship for a period of one (1) year from the date the product is placed in service to a

maximum of eighteen (18) months from date of shipment. Parts subject to replacement due to operational wear and tear, viz. Varigear belts and Varimot traction

elements, are not covered by this Limited Warranty. Notwithstanding the foregoing, any equipment or components of the products not of Eurodrive's own manufacture

and/or specified by the purchaser is sold under only such warranty as the maker thereof gives Eurodrive and Eurodrive is able to enforce, but such items are not

warranted by Eurodrive in any way. Use of products above rated capacity, misuse, field alterations of products, damage due to lack of maintenance or improper storage,

neglect or accident are also excluded from this Limited Warranty.

This Limited Warranty is effective provided:

a) The purchaser notifies Eurodrive in writing of the alleged defect immediately after it becomes known to the purchaser; and

b) no alterations, repairs, or services have been performed by the purchaser or third parties on the products without written approval of an authorized officer of

Eurodrive.

Eurodrive's obligation under this Limited Warranty is limited to the repair or replacement FOB Eurodrive's factory or any part or parts found to be defective in material or

workmanship.

Eurodrive shall, in no event, be liable to the user/purchaser under this Limited Warranty, or otherwise, for claims, expenditures or losses arising from operational delays or work stoppages or damages to property or people caused by defective products or for consequential or indirect damage of any nature whatsoever.

THIS LIMITED WARRANTY IS IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

11. ASSIGNMENT

No contract to purchase goods from Eurodrive may be assigned by the purchaser without prior agreement in writing by an authorized officer of Eurodrive.

12. DAMAGES; LIMITATION

In the event of breach of this agreement by Eurodrive, the rights of the purchaser are limited to the amount therefore paid to Eurodrive for the goods. THE PURCHASER

SHALL HAVE NO RIGHT TO CONSEQUENTIAL OR INDIRECT DAMAGES, WHETHER FOR INJURES TO PERSON, PROPERTY OR OTHERWISE.

15. DEFAULT

If the purchaser defaults in performing any of its obligations to Eurodrive under this agreement, or any other agreements, Eurodrive may, at its option and without incurring any liability thereby, elect to terminate this agreement or to terminate any or all other agreements with the purchaser or to terminate this agreement together with any or all such other agreements. Furthermore, Eurodrive shall have a right to all damages sustained, including loss of profits.

18. MISCELLANEOUS

The provisions of this agreement shall be governed and construed in accordance with the laws of the Mexican Republic. No waiver of any breach of any provision of this agreement shall constitute an amendment or modification of this agreement, or any provision thereof. The provisions of this agreement shall bind and inure to the benefits of the parties hereto and their respective heirs, executors, administrators, successors, and (subject to any restrictions on assignment hereinabove set forth) assigns