

SKFs General conditions of repair and refurbishment work

Valid from 2007-02-20

1. Applicability

These General Conditions shall apply in full on inspection, modification, repair and refurbishment work provided by SKF ("the Work") unless otherwise expressly agreed in writing by SKF. No other provisions shall be applicable, regardless of whether they were explicitly rejected or not in any individual case.

2. Scope of the Work

The scope of the Work to be provided shall be agreed in writing.

3. Pricing

- 3.1 If the parties agree on a fixed price for the Work, such price shall be based on the scope of the Work at the time of such agreement.
- 3.2 If the parties do not agree on a fixed price, SKF shall be entitled to be paid for the Work performed according to SKF's current rates. SKF shall be reimbursed by the Customer for all other expenses (e.g. packing and transportation costs) actually incurred. Any price estimate given by SKF in respect of the Work shall not limit the payment SKF is entitled to recover under this provision.
- 3.3 The prices shall be exclusive of transportation cost, insurance cost, value added tax, and, unless otherwise agreed, any other taxes and duties.

4. Payment

- 4.1 SKF shall be paid in full not later than 30 days following the date of SKF's invoice if not otherwise separably agreed in writing.
- 4.2 The Customer is not entitled to withhold or set off against any payments due to SKF on the basis of claims against SKF.

5. Subcontracting and spare parts

SKF shall be entitled to subcontract the Work or any part thereof to a third party. SKF shall be entitled to use any spare parts from any supplier, unless otherwise agreed with the Customer. Subcontracting will not affect SKF's obligations under this Agreement.

6. Technical documentation and repair requirements

The Customer shall inform SKF of the valid operating conditions and shall supply SKF with the technical documentation necessary for carrying out the work. The documentation shall remain the property of the Customer, and shall not be used by SKF or any subcontractor other than for the purposes of the Work. If the Customer fails to specify result requirements of the Work, SKF's definition thereof will apply.

7. Risk of loss or damage

The risk of loss or damage to goods while outside the Customer's premises for the purpose of the Work (including risk of transportation) shall be borne by the Customer unless such loss or damage is due to gross negligence of SKF.

8. Time for completion

- 8.1 A time quoted for completion shall be binding only if it is expressly stipulated as such in writing.
- 8.2 SKF is entitled to an extension of any binding time for completion in the event of:
 - a) any additional orders for the Work being given by the Customer and accepted by SKF, or
 - b) any agreed extensions of the scope of the Work, or
 - c) any cause of relief under clause 12, or,
 - d) the Customer being in default of any of its obligations, if such event causes delay in the performance of the Agreement.

9. Reservations of title

Until receipt of all payment to be made under the Agreement, SKF retains the property in all accessory parts, spares, or replacement parts employed to the extent permitted by the law of the country of SKF.

10. Warranty

- 10.1 SKF shall, at its own expense, make good, by repair or replacement, any defects in the Work, or on the materials or parts used by SKF appearing within six months after the Work was performed. The Customer shall notify SKF in writing without delay of any such defect.
- 10.2 SKF's warranty shall apply only to defects that appear under normal operating conditions, under proper use and only to the extent the defects can be assignable to SKF's performance of the Work. It shall not extend to defects arising from transportation, the Customer's faulty maintenance, faulty erection, faulty installation or storage. Nor does it extend to defects arising from alterations in the Work carried out without SKF's prior consent in writing, or from repairs carried out by the Customer, or any third party, or from normal wear and tear. SKF's warranty shall not apply on defects on, or defects arising from, materials or parts supplied by the Customer.

11. Limitation of liability

- 11.1 SKF's liability is limited only to the Work and/or parts supplied by SKF or its contractors and the express warranty set forth in Section 10 is exclusive, and no other warranties of any kind, whether statutory, written, oral or implied, including warranties for fitness for a particular purpose or merchantability, shall apply.
- 11.2 Without limitation of Section 11.1 SKF's total liability to the Customer for all claims of any kind, whether based upon contract, tort (including negligence), strict liability or otherwise, for any loss or damage arising out of, connected with, or resulting from the performance or breach of this Agreement shall in no case exceed 10 per cent of the price paid by the Customer for the Work in question.
- 11.3 **In no event, whether as a result of breach of contract, tort liability (including negligence), strict liability or otherwise, and whether arising before or after completion of SKF's obligations under the Agreement, shall SKF be liable to loss of use, profits or revenue, or special, consequential, or penal damages of any nature.**

12. Force majeure

Either party shall be released from performance of its obligations under the Agreement to the extent, and for so long as, the performance of the Agreement is impeded by reason of the force majeure. The party claiming force majeure circumstances shall give prompt notice of the commencement and cessation of any such circumstances. For the purpose of this Article the expression "force majeure" means, but shall not be limited to, industrial dispute, fire, mobilization, requisition, embargo, currency transfer prohibitions, insurrection, lack of means of transport, restrictions of the use of energy, and generally any circumstances which are beyond the control of the parties and hinder performance by one party of his obligations. If circumstances of the force majeure continue for a period exceeding 3 months either party shall be entitled to terminate the Agreement by notice in writing without incurring any further liability.

13. Applicable law and settlement of disputes

The Agreement shall be governed by and interpreted under the law in force in the country of the registered office of SKF. All disputes arising in connection with this Agreement shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The place of arbitration shall be the city in which the registered office of SKF is located. The proceedings shall be held in the English language.