

## 1. AGREEMENT

a. The Purchase Order and any documents referred to herein constitute the entire agreement between the parties with respect to the subject matter hereof. By Suppliers acknowledgement or acceptance of this order, or shipment of the goods or materials ordered hereby, or commencement of work or performances thereon, whichever first occur. Supplier accepts this Purchase Order and agrees to these terms and conditions.

b. No modifications of this Purchase Order, and no term or condition stated by Supplier in accepting or acknowledging this order shall be binding on Buyer unless approved in writing by an authorized office of Buyer. Buyer hereby gives Supplier notice of its objection to any item or condition stated by Supplier, which is different from or additional to the terms and conditions contained herein.

## 2. DELIVERY AND PERFORMANCE

a. Time is of the essence and the delivery must not be made later or substantially earlier than the dates shown on this Purchase Order. Items delivered substantially in advance of scheduled delivery dates may be returned at Suppliers expense.

b. If Supplier fails to make deliveries or perform services at the agreed time, all damages suffered by Buyer and all premium transportation or other costs required to meet the specified delivery schedule will be at the expense of Supplier. However any claims for loss of profit and/or loss of production shall be expressly excluded.

c. If the delivery schedule shown on the Purchase order cannot be met, Supplier shall inform Buyer (in writing/fax/email/EDI) of Suppliers best possible delivery schedule for Buyers approval. Buyer may refuse to accept such revised schedule and cancel this Purchase Order without obligation.

## 3. PACKING, SHIPPING AND TRANSPORTATION

a. All items shall be suitably prepared, packed, marked, and shipped in accordance with the Purchase Order and the requirements of common carriers in a manner which will (a) assure safe arrival in an undamaged condition, (b) permit efficient storage, and (c) comply with any safe storage or packing requirements set forth herein. Any and all extra expenses occurring on account of improper packing shall be assumed and paid for by Supplier.

b. Each container shall be marked to show the

Purchase Order number, and each shipment will be accompanied by an itemized packing slip in the absence of which Buyers count as to the contents of any container shall be accepted by Supplier as conclusive. No charges will be allowed for containers, crating, boxing, binding, dunning, or other packing or for transportation, except as indicated herein or as otherwise may be agreed to in writing by Buyer.

c. Buyer may specify the carrier and/or method of transportation and Supplier will process shipping documents and route shipments of goods from the INCOTERMS 2000 point accordingly. Supplier will be responsible for all excess costs incurred because of its failure to comply with Buyer transportation instructions. Forward original shipping notice promptly to Consignee.

## 4. CUSTOMS

a. The responsibility for customs duty and customs brokers fees will be determined in accordance with the transportation code stated in this order. If Buyer is responsible for customs duties, it will be responsible for normal duties only.

b. Supplier will be responsible for any special duties, including but not limited to, marking, anti-dumping and countervailing duties, to the extent permitted under the law of the country of importation. Supplier will provide Buyer or the appropriate governmental authority all documentation and information required by law or regulation or otherwise necessary to determine the proper minimum duty to be paid upon the importation of the goods into any country or to obtain any refunds or drawbacks of duties paid.

c. Supplier will provide to Buyer and the appropriate governmental agency the documentation necessary to determine the admissibility and the effect of entry of the goods into the country in which the goods are delivered to Buyer and certifies that such documentation is true and correct in every respect and that all sales covered by this order will be made at not less than fair value under the anti-dumping laws of the countries to which the goods are exported.

## 5. INSPECTION

a. Items provided hereunder are subject to inspection, test and acceptance or rejection by Buyer. Buyer at its option, and without waiving any other rights or remedy available, (a) may reject and return to Supplier any damaged, defective, or otherwise non-conforming non-production item within ninety (90) days after receipt thereof by Buyer (b) reject and return any production item up until the installation of that part in to Buyer's product, and (c) any item which may prove to be defective through ser-

vice or otherwise after delivery to Buyers customers, whether or not acceptance or payment has already taken place. Buyer may at its option either credit the invoice price of all items returned against any sums due Supplier, accept a cash refund therefore from Supplier or agree to accept replacement items, but in no event shall such items be replaced by Supplier without written instructions from Buyer.

b. Supplier shall bear all risk and responsibility with respect to rejected items and shall pay the expense of removal and return thereof. Buyer may elect to retain rejected items and remedy defects therein, the cost of which shall be deducted from any amount due to Supplier.

## 6. PAYMENT

a. Payment against Suppliers invoices will be made as agreed in the Purchase Order.

b. Buyer shall have the right to set-off any amounts, which Supplier may owe Buyer, whether arising under this Purchase Order or otherwise.

c. Supplier shall not be entitled to transfer and/or assign the rights stemming from his invoices to any third party, be it in total or in part.

## 7. TAXES

Any and all taxes in effect at date of delivery of any nature are included in the prices set forth herein and are the responsibility of Supplier.

## 8. CHANGES

a. Changes in shipping or packing instructions, methods of shipment, and place and dates of delivery may be made by Buyer on reasonable notice.

b. Buyer may, at any time, by written order, make changes in such specifications, drawings, and designs, and Supplier without delay shall comply therewith. Within fifteen (15) days after receipt by the Supplier of the notification of such change, Supplier shall transmit to Buyer a statement, in such detail as Buyer may reasonably require, of the effect, if any, of such change on Suppliers cost and ability to make deliveries, provided, however, that if Buyer finds that the facts justify such action.

## 9. WARRANTIES

a. Supplier warrants to Buyer, and to Buyer's agents and customers, that any item purchased under this Purchase Order

is free from defects in material and workmanship, is suitable for its intended purposes, whether express or implied, is of merchantable quality, and conforms to the quantity, size, description, dimensions and specifications for such item. These express warranties shall not be deemed waived for any reason, including, but not limited to Buyer's approval of a sample of any item, acceptance of any item, or payment for any item.

b. The warranty period for any item installed in a product sold by Buyer will be the same as the warranty period provided by Buyer for the product in which the item is installed.

c. The warranty period for any item used by Buyer as a service or replacement part shall be the longer of twelve months from the date of delivery of the item to Buyer's customer or the remainder of the warranty period provided by Buyer for the product in which the item is to be installed as a service or replacement part.

## 10. INDEMNITY PROTECTION

Supplier will defend, indemnify and hold Buyer, its agents and customers harmless from any loss, liability, damage (direct, indirect, or consequential), punitive damage, fine, penalty, judgment, settlement, cost, fee or expense, including attorneys fees, arising from or related to any claim, proceeding or lawsuit seeking to recover for property damage, bodily injury, including death, or personal injury, resulting from or arising out of any actual or alleged defect in design, manufacture, warning or representation relating to any item sold under this Purchase Order.

## 11. ASSIGNMENT

Supplier shall not assign this order or any of the sums due or to become due or subcontract the work called herein without first obtaining the written permission of Buyer.

## 12. COMPLIANCE WITH LAW

Supplier shall in performing the order comply with all laws, regulations or orders applicable to the manufacture, processing and delivery of the items ordered hereby. Supplier by acceptance of this Purchase Order warrants that the items to be furnished, hereunder were or will be produced and delivered in compliance with the safety requirements of all applicable Federal, State, and local laws, rules, regulations and orders.

## 13. DEFAULT

If Supplier fails to make delivery in accordance with delivery date or delivery schedule, fails to deliver items which conform to the requirements of this Purchase Order, or fails to observe

or comply with any other instructions, terms or warranties applicable to this Purchase Order, or in the event that any proceeding is brought by or against Supplier in bankruptcy or insolvency, then Buyer may terminate all or part of the Purchase Order by written notice to Supplier, and Buyer shall not be liable to Supplier in connection with such termination.

a. In case of termination Buyer will solely pay Supplier for finished work already accepted by Buyer. Payment made under this Clause will constitute Buyer's only liability for termination hereunder with title and right of possession to all delivered goods and services vesting in Buyer immediately upon Buyer's tender of such payment.

## 14. CANCELLATION

Buyer may, by notice given to Supplier in writing cancel this Purchase Order without cause, as to any portion or all hereof not completed, shipped or performed at the time of Supplier's receipt of such notice. Supplier, upon receipt of such notice, shall to the extent specified therein, stop work thereunder. In the event of such cancellation, Buyer shall pay Supplier for those items of this Purchase Order which may have been then completed, shipped, or performed and solely reimburse to Supplier the costs incurred by Supplier.

## 15. SEVERABILITY

If any provision of this Purchase Order is held to be unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

## 16. PRICING

Supplier warrants that the prices for the articles sold to Buyer hereunder are no less favorable than Supplier currently extends to any other customer for the same or similar quantities. If Supplier reduces its prices to others for the same or similar goods or services during the term of this order, Supplier will reduce the prices to Buyer for such goods or services correspondingly.

## 17. VARIATIONS

Variations are not permitted unless specifically approved in writing by Buyer.

## 18. INFORMATION DISCLOSED

The specifications, drawings, designs, manufacturing data and other information transmitted to Supplier by Buyer in connection with the performance of this order are the property of Buyer and may be covered by one or more Buyer patents, patent applications or copyrights. Supplier will handle all of this information

in such a manner to insure that it is not used for any purpose detrimental to the interests of Buyer.

## 19. LABOR DISPUTES

Supplier will notify Buyer immediately of any actual or potential labor dispute delaying or threatening to delay timely performance of this order, and will include all relevant information to Buyer.

## 20. SERVICE PARTS

Supplier will make parts for Buyer's service and warranty requirements for ten years or for such longer time as may be required by Buyer after the order is terminated. The price of the part for Buyer's service requirements will be the price provided in the order plus costs actually incurred for special packaging.

## 21. JURISDICTION

Any and all disputes arising out of or in connection with this purchase order shall be brought before and heard by the competent courts of Buyer's jurisdiction. This Purchase Order and any resulting contract shall be governed by the laws of Germany, excluding the United Nations Convention on the International Sale of Goods (CISG).

Bielefeld, May 16, 2011