

GENERAL

The equipment, materials, or supplies ("Goods") and/or services ("Services") furnished by Supplier (together, the "Goods and Services") and covered by our purchase order ("PO") and/or other agreement (which, when combined with these Terms and Conditions and any other documents incorporated by reference, will constitute the "Agreement") are governed by the terms and conditions set forth herein (our "GTC"). As used herein, the term "Supplier" includes Supplier and its sub-suppliers at any tier. We (Engel Machinery, Inc.) and Supplier individually will be referred to as "Party" and collectively as "Parties." Any defined terms not defined in our GTC will have the meaning ascribed to such term in any of the other documents incorporated in and constituting the Agreement. No other terms or conditions will be binding upon the Parties unless accepted by them in writing. Written acceptance or shipment of all or any portion of the Goods, or the performance of all or any portion of the Services, covered by the Agreement, will constitute Supplier's unqualified acceptance of all of the Agreement's terms and conditions. The terms of any proposal referred to in the Agreement are included and made a part of the Agreement only to the extent the proposal specifies the Goods and/or Services ordered, the price therefore, and the delivery thereof, and then only to the extent that such terms are consistent with the terms and conditions of the Agreement and these GTC. If a master agreement exists between the Parties to govern the supply of Goods and Services identified in the PO, the terms and conditions of the master agreement shall apply to such Goods and Services.

SUPPLIER'S OBLIGATIONS

Supplier shall deliver the Goods and Services at the locations and by the delivery dates set forth in the PO. Supplier shall use qualified personnel and equipment and facilities that meet the highest industry standards as customary in the respective industry. Supplier shall comply with all relevant legislation, regulations, labor laws, immigration laws, import-export regulations and environmental and industry standards in all jurisdictions where Supplier operates and the Goods and Services are supplied. Supplier shall maintain records and provide regular reports pursuant to our instructions on the delivery of the Goods and Services, their conformity with the service levels and specifications identified to Supplier. Supplier shall supply in printed form all relevant product safety and health information that pertains to all Goods ordered hereunder. Supplier must ensure that Goods comply with certification standards.

DELIVERY SCHEDULES

Time is of the essence. Deliveries shall be made both in quantities and at times specified in our Delivery schedules. We may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Supplier to a modification of the price for goods or services covered by the respective PO. If Supplier fails to deliver the Goods and Services in accordance with the agreed date(s), we shall be entitled to (i) terminate the Agreement in whole or in part; (ii) refuse any subsequent delivery of the Goods or provision of the Services; (iii) recover from Supplier any expenses reasonably incurred by us in obtaining the goods and/or services in substitution from another supplier; (iv) damages for any costs, losses, expenses and liquidated damages incurred by our customers which are attributable to Supplier's delay; and/or (v) liquidated damages as specified in the PO.

INSPECTION AND ACCEPTANCE

The Goods and/or Services furnished shall be exactly as specified in the Agreement, free from all defects in Supplier's performance, design, workmanship and materials, and, except as otherwise provided in the Agreement, will be subject to inspection and test by us at all times and places. If, prior to final acceptance, any Goods and/or Services furnished are found to be incomplete, or not as specified, we may reject them, require Supplier to correct them without charge, or require provision of such Goods and/or Services at a reduction in price that is equitable under the circumstances. If Supplier is unable or refuses to correct such deficiencies within a time we deem reasonable, we may terminate the Agreement in whole or in part. Supplier will bear all risks as to rejected Goods and/or Services and, in addition to any costs for which Supplier may become liable to us under other provisions of the Agreement, Supplier will reimburse us for all transportation costs, other related costs incurred, or payments already made to Supplier in accordance with the terms of the Agreement for unaccepted Goods and/or Services and materials and supplies incidental thereto. Payment for the goods delivered shall not constitute acceptance.

CSR, QUALITY ASSURANCE AND COMPLIANCE

Supplier shall ensure and demonstrate on demand that it has all appropriate corporate social responsibility policies and has satisfied all applicable legal requirements, regarding (i) health and safety; (ii) conservation of the environment, rectification of environmental damage and shall have an environmental sustainability policy satisfactory to us; (iii) treatment of workforce including non discrimination and equal opportunities; (iv) practice of fair trade; and (v) quality assurance systems for Goods and Services as customary in Supplier's industry.

Supplier hereby undertakes to comply with our Code of Compliance as amended from time to time (available at our website www.engelglobal.com) as well as with all relevant laws, regulations, directives, and similar rules with regards to our Code of Compliance. Supplier shall further on support our corporate social responsibility policies and uphold the principles in the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises and, where applicable, our corporate policies regarding workplace conduct, site access, safety, contractor orientation, computer systems security, privacy and Environmental Policy, as updated from time to time. Supplier shall also cause its employees, affiliates, subcontractors, representatives and agents ("Delegates") to comply with the aforementioned codes and policies. We may inspect the supplier's systems for evidence of such compliance. If the Supplier and/or its Delegates are not in compliance, we may terminate any Agreement with immediate effect and withhold any payments that may otherwise be due to Supplier at the time of termination. To the extent permitted by law, Supplier shall indemnify and hold us harmless from any and all losses and costs related to and/or caused by such failure to comply.

PRICE AND PAYMENT

Unless otherwise agreed in writing prices are in U.S. dollars, are firm and are inclusive of all applicable taxes, duties, of any kind and in accordance with the Incoterm as stated on the Purchase Order or if not stated, DDP. Where applicable, Supplier will pay all sales and use taxes imposed on the Supplier. All invoices must be itemized and must reference the Agreement or PO number. We will not pay cartage, packaging or boxing expenses, unless specified in the Agreement. Supplier shall submit electronic invoices upon delivery of the Goods and Services. Subject to our right to dispute any amounts due, we shall pay invoices sixty (60) days from the receipt of a complete and correct invoice. If applicable, any discounts or rebates set out in the PO or for early payment shall be identified on the invoice. Notwithstanding any other provision to the contrary, we will not be responsible for any fees or interests Supplier wishes to impose for late payments. Supplier is required to accept electronic payment. We shall have the right to offset and deduct any amounts resulting from counterclaims against Supplier or any of its affiliated companies from the payment of any due amounts.

CHANGES AND CANCELLATION

We reserve the right to cancel for convenience any Agreement in whole or in part at any time with not less than fifteen (15) days' notice. In such event we shall pay to Supplier the value of the delivered but unpaid Goods and/or Services and proven direct costs reasonably incurred by Supplier for undelivered Goods and/or Services, however in no event more than the price for the Goods and/or Services agreed under the Agreement. No further compensation will be due to Supplier.

We may issue Change Orders (i.e. alter, amend, omit, add to or otherwise change the PO or any parts thereof) to Supplier, and Supplier shall carry out such Change Orders. If any Change Order cause an increase or decrease of costs, or the time required for the performance of, any Services or Goods, an equitable adjustment shall be made in the purchase price and/or Delivery schedule in writing. Any Supplier claim for adjustment under this Clause will be deemed waived unless asserted within fifteen (15) calendar days from Supplier's receipt of the Change Order. Change Orders requested by Supplier only become effective after written confirmation by us.

TRANSFER OF TITLE AND OWNERSHIP

Ownership of the Goods passes to us at delivery. To the extent that the Goods contain software necessary for operation of Goods, and embedded in and delivered as integral part of Goods (the "Embedded Software"), ownership of such Embedded Software will not pass to us, but Supplier shall grant, or – as applicable – shall procure that the third party owner grants, us and all users a worldwide, irrevocable, perpetual, transferable, non-exclusive, royalty-free right to use the Embedded Software as integral part of such Goods and/or for servicing either of them. We shall own any documents including specifications, drawings, or designs supplied by us, or

produced by Supplier for us with respect to the Goods or Services covered by the Agreement.

If the PO provides for Supplier to perform any design, engineering, analytical or similar work or provides for the delivery of any software, firmware, copyrightable materials or derivative works thereof specifically made for us, all such work and deliverables shall constitute "works made for hire" under the Copyright Act, and all right, title and interest that Supplier has in and to any patentable invention, know-how and trade secrets, copyrightable materials and derivative works thereof that Supplier shall conceive, originate or reduce to practice, either individually or jointly with others, in connection with its performance of a PO are hereby assigned to us and shall be our sole and exclusive property.

REPRESENTATIONS AND WARRANTIES

Supplier expressly warrants that: (i) Goods delivered hereunder will be free from defects in material and workmanship and of the quality, size and dimensions ordered (ii) Services performed hereunder will conform to the description in the relevant PO, statement of work and any other written specifications agreed between the Parties, as well as to any other instructions and requirements indicated by us in writing. Supplier further represents and warrants that: (i) it is duly organized or incorporated in the relevant jurisdictions and has full capacity to enter into the relevant Agreement and perform its obligations thereunder; (ii) no hardware or software or other material used in the supply of the Goods and Services nor the use thereof infringes any intellectual property rights or liens of any third party; (iii) Supplier holds all right, title and interest in the Goods and Services; and (iv) that it operates in compliance with all laws and regulations; and (v) the Agreement does not violate any other agreement binding on Supplier. A PO incorporates by reference all terms of the Uniform Commercial Code as adopted in the Commonwealth of Pennsylvania (the "UCC") providing any protection for Buyer, including but not limited to all warranty protection (express or implied) and all of Buyer's remedies under the UCC. All goods and work shall also be subject to any stricter warranties specified in the PO or in other materials incorporated by reference. All warranties shall be continuing and shall survive and not be diminished by inspection acceptance use or payment of or for the goods or services. Any goods or services that do not comply with this warranty shall, at our option either be replaced or repaired by Supplier or returned by us for refund by Supplier. This warranty is in addition to other express or implied warranties given to us by Supplier or its Delegates.

INDEMNITY

Supplier shall, at its expense, indemnify, defend (or settle) and hold us, our officers, directors, employees, agents and Affiliates harmless from and against any loss, damage, cost, liability, and expense (including reasonable fees for attorneys and other experts), sustained by reason of arising out of or relating to, without limitation: (i) any breach or non-fulfillment of any of Supplier's warranties or obligations hereunder, (ii) any act, omission, neglect or default by Supplier or its Delegates; (iii) any claim or infringement of any patent, trade-mark, trade secret or other proprietary right including claims for royalties or license fees, in connection with the purchase, use or sale of the Goods (whether or not the goods ordered, their parts or designs have been specified by us) or Services; or (iv) the death or any bodily injury to anyone, damage to property, or any other damage or loss by whomsoever suffered, resulting or claimed to result in whole or in part from the manufacture, use, purchase, or sale of the Goods or performance of Services provided.

We may at our option be represented by our own counsel in any action, the expenses of which shall be borne by Supplier. All indemnifications and hold-harmless agreements and releases shall be continuing and shall survive acceptance of the Goods or Services provided hereunder, or cancellation of the Agreement.

INSURANCE

Supplier shall maintain Comprehensive General Liability with an insurer acceptable to us, in an amount (in the currency set forth in the PO) of no less than five million dollars (\$5,000,000) per occurrence, for damage to or destruction of property (including loss of use), including products and completed operations coverage and contractual liability, or a combined single limit of five million dollars (\$5,000,000) for bodily injury including death. If the supply of Goods and Services includes the provision, lease or hire of licensed vehicles on behalf of Supplier, or accessing our (or our customers') sites by vehicle, Supplier shall have Automobile Liability insurance in an amount of no less than five million dollars (\$5,000,000) per occurrence. Supplier shall provide Workers Compensation coverage (or its equivalent) for its personnel and subcontractors in accordance with the statutory limits in the relevant jurisdiction and reimburse us for any claims that we must pay for which Supplier is responsible. Supplier shall name us

as an additional insured and provide a certificate of insurance pursuant to which we will be notified of any cancellation or material change to coverage. Any deductible or self-insurance shall be of a level acceptable to us.

FORCE MAJEURE

If Supplier is unable to produce, sell or deliver any Goods or Services covered by the PO, or we (or our customer) are unable to accept delivery of any Goods or Services covered by the PO, as a result of an event or occurrence beyond the reasonable control of the affected party and without such party's fault or negligence, then any delay or failure to perform under the respective Agreement that results from such event or occurrence will be excused for so long as such event or occurrence continues; provided, however, that the affected party gives written notice of each such delay (including the anticipated duration of the delay) to the other party as soon as possible after the event or occurrence (but in no event more than a week thereafter). Such events and occurrences may include, by way of example and not limitation, natural disasters, fires, floods, windstorms, severe weather, explosions, riots, wars, sabotage, labor problems (including lockouts, strikes and slowdowns) and power failures. If any such delay lasts more than thirty (30) days, the non-affected party may terminate the Agreement without any liability to the affected party.

CONFIDENTIALITY

In addition to (and not in lieu of) any Non-Disclosure-Agreement, the Parties may have signed before the PO-date, each Party agrees to keep confidential and to prevent the unauthorized disclosure of information disclosed by the other Party, which is confidential by its nature including without limitation technical, commercial, financial, marketing, operational or strategic information related to the business of a Party, on any verbal, visual or written medium, whether it is marked confidential or restricted or not ("Confidential Information"). The Party receiving Confidential Information from the other Party shall protect it from unauthorized disclosure to third parties by using the same degree of care that it uses for its own confidential information, but no less than commercially reasonable efforts. Neither Party shall use the other Party's Confidential Information for any other purposes than for the execution of the Agreement, nor reproduce the Confidential Information in whole or in part in any form except as may be required by the Agreement.

GOVERNING LAW, DISPUTE RESOLUTION

These GTC, any PO, and all acts or omissions of the parties related to these GTC or any PO shall be governed exclusively by the laws of the Commonwealth of Pennsylvania, without regard to its or any other jurisdiction's conflicts of laws principles that may cause the law of another jurisdiction to govern. Any dispute arising from these GTC, any PO, or any act or omission of either Party related to these GTC or any PO (the "Litigation") may only be brought in the Court of Common Pleas of York County, Pennsylvania or the United States District Court for the Middle District of Pennsylvania, and each Party hereby irrevocably consents and submits to the exclusive jurisdiction of these courts. In the event of litigation the Party which substantially prevails in such Litigation shall be entitled to reimbursement by the other Party of its attorneys' fees, court costs and related Litigation expenses.

MISCELLANEOUS

If any clause is unenforceable it shall be severed and the other clauses will remain in full force. Any clause which by its nature should survive termination will do so, including without limitation the Confidentiality, Liability, Indemnification and Warranty clauses. The Parties are independent contractors and nothing herein shall make them agents, employees, or partners and there shall be no joint and several liability. The non-exercise by a Party of a right hereunder does not constitute a waiver of such right. Nothing herein shall be interpreted to create an exclusivity in favor of Supplier unless otherwise set out in the PO. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The Agreement shall not be assigned in whole or in part by Supplier nor shall Supplier subcontract any part of this Contract without our prior written consent. No waiver of any provision or failure to perform any provision of the PO shall be effective unless consented to by us in writing nor shall any such waiver constitute a waiver of any other provision or failure to perform. Supplier shall not use our name for the purposes of advertising, press releases, promotion or solicitation without our prior written consent. These GTC may be updated by us from time to time and Supplier commits to review them regularly and be bound by the GTC.

TERMS AND CONDITIONS OF PURCHASE



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