

Terms and Conditions of Purchase

Unless otherwise agreed in writing, the following provisions apply to all orders.

The conclusion of any contract shall be exclusively subject to the approval of the Seller to the additional or deviating provisions contained in these Terms and Conditions of Purchase of Compressor Products Intl. GmbH.

- Acknowledgement and Acceptance** - Our offer for the conclusion of a contract shall be exclusively in conjunction with these terms. Deviating conditions of the seller are contradicted hereby. If this Order is construed as an acceptance of the Seller's offer, this acceptance is expressly dependent on the Seller's assent to these terms. These terms shall not be modified by the Seller within the framework of the acknowledgement of the order, the delivery and the performance of services. Any modification or addition to the terms and conditions herein must be specifically agreed to in writing by the Buyer. These terms and conditions constitute the result of the final agreement between the parties and supersede any previous oral or written representations, including but not limited to provisions in quotations, Terms and Conditions of Sale, acknowledgements, invoices or other documents of the Seller.
- Delivery** - The scope of the delivery and the delivery date shall be based on this Order, unless the delivery schedule to be communicated to the Buyer deviates from it. The Buyer shall be entitled to cancel this Order, to refuse the acceptance of the delivery and to return the goods delivered at the Seller's risk and expense, if the Seller fails to deliver according to the contract in terms of manner, quantity and time. Goods shipped to the Buyer in advance of schedule may be returned at the Seller's expense. The Buyer shall have the same right in the case of goods delivered in excess of the quantities agreed in the contract. All costs incurred by the Buyer as a result of the Seller's failure to make delivery at the time and place specified herein shall be charged to the Seller. The Seller must advise the Buyer promptly in writing of delivery delays. The Buyer reserves the right to reschedule delivery dates to a later date without cost to the Buyer. The delivery of chemical substances and preparations shall be performed in accordance with the relevant laws, including but not limited to the REACH and the GHS/CLP regulations. Prior to the first delivery, the Seller shall provide the Buyer with a current safety data sheet, if necessary along with an exposure scenario for the purpose of Annex II of the REACH regulation in German as well as in further languages on request. In the case of significant changes, the Seller shall send an updated safety data sheet to the Buyer immediately and unrequested stating the date of update. The safety data sheet shall be updated after 5 years at the latest. The Seller shall be responsible for any and all damage resulting due to incorrect information in the binding declarations and/or due to the non-observance of special regulations for the handling (packaging, dispatch, storage etc.) of hazardous goods as well as chemical substances and preparations.
- Supplier's declaration - Safety declaration:** The Seller shall be obliged to provide a supplier's declaration and/or a proof of origin according to the customs regulations. If a long-term supplier's declaration is made, the Seller shall be obliged to inform the Buyer immediately and without prior request about any changes in the properties of the goods relevant in terms of the rules of preferential origin. The Seller shall be liable for any and all damage arising from the incorrect content, improper form or delayed submission of the declaration which can be attributed to the Seller. The Seller shall confirm that he has, applied for or will apply for the status of an authorized economic operator (AEO) with the AEO S or AEO F certificate. Sellers currently not fulfilling the above-mentioned requirements shall undertake to fulfill the following requirements for the purpose of AEO:
 - that goods produced, stored, transported on behalf of authorized economic operators (AEO) and sent to them or taken over by them
 - shall be produced, stored, processed and loaded at safe production sites and at safe transshipment points
 - shall be protected against unauthorized access during the production, storage, processing, loading and transport
 - that only reliable staff is employed for the production, storage, processing, loading, transport and takeover of such goods
 - that business partners acting on behalf of the Sellers shall be informed that they shall take measures to secure the above-mentioned supply chain as well.The Seller shall be obliged to inform us about any change relevant in terms of the safety requirements according to AEO immediately and without prior request. The Seller shall be liable for any foreseeable damage typical for the contract arising from the non-observance of the provisions for the purpose of AEO, shall exempt us in the case of third party claims and shall refund any fines and other costs arising from the respective circumstances on first request.
- Price Warranty** - The purchase price stated in this Order shall be binding. An adjustment or change shall only be possible after a written approval on the part of the Buyer. The Seller shall guarantee that the price set forth in this Order does not exceed the average value of similar goods of equal kind and quality. If the agreed purchase price exceeds this average value, the Seller shall agree to refund any such excess amount to the Buyer. If no purchase price was agreed in the Order, the Seller shall agree that the goods will be charged at the prevailing market price for similar goods on the date of shipment or at the price which applied to the last contract for similar goods concluded between the parties, whichever will be the lower.
- Samples** - Samples required on this Order shall be invoiced to the Buyer at no higher cost than the production costs indicated thereon. Samples shall be distinctly identified and bear reference to this Order. Samples must be approved in writing before corresponding shipments are made.
- Tools and Materials** - Buyer shall retain title to any designs, sketches, drawings, blueprints, patterns, dies, molds, tools, plates, cuts, gauges, special items and materials furnished by or paid for by the Buyer in connection with this Order. The price indicated on the Order shall constitute the total purchase price including the above-mentioned items. These items shall be stored and maintained by the Seller at his own risk. In the case that the items are lost, damaged or destroyed, they shall be replaced by the Seller without charge to the Buyer. All such items shall be used within the production to be executed according to this Order, unless there is a written consent on the part of the Buyer with regard to the use for any other purposes. All of these items can be removed by Buyer at any time without charges.
- Invoices** - Invoices shall be rendered separately for each delivery with bill of lading attached, cover not more than one order and be rendered with order number noted thereon. If cash discount was agreed, the discount period shall start upon the delivery, even if a proper invoice is received after the delivery. When machinery requires installation to verify satisfactory operation, invoices will not be settled prior to Buyer approval of satisfactory installation and operation.
- Inspection Obligation** - All materials are subject to inspection by the Buyer. If an item is faulty, the Buyer shall be entitled to return the entire shipment and to cancel any unfulfilled balances of this Order without cost. Any costs resulting in connection with the inspection and return of faulty items shall be borne by the Seller. The risk of loss for returned faulty goods shall be borne by the Seller. The Buyer shall be entitled, at its option, to rescission and supplementary performance in the form of additional delivery or subsequent improvement. The additional delivery shall only take place on the basis of a new order. The Seller shall comply with the demand for supplementary performance within five days after the receipt of the goods. Payment made prior to the delivery shall not be deemed as acceptance.
- Patent Infringements** - The Seller shall indemnify the Buyer and his customers against any and all suits, actions, claims, demands, damages, costs, expenses and attorney fees resulting due to any infringement of any U.S. or foreign patent in the manufacture, sale or use of the materials covered by this Order.
- Shipping and Packaging** - No charges shall be billed for crating, packaging or packing materials unless agreed to and specified as part of this Order. Each shipment must be accompanied by a packing slip showing the order number. Delivery has to be made by UPS, using our account number, up to 60 kg. In some special cases delivery cif or as agreed in advance. All additional costs, which may occur in case of not handling in this way, will be paid by the Seller/Supplier.

Warranty - The Seller shall warrant that the articles supplied under this Order will conform to the specifications, drawings, samples or other description specified, will be merchantable and of good quality, material and workmanship, will be suitable for the purposes intended and free from defects in workmanship, materials and design. All warranties shall remain in effect beyond inspection, delivery, acceptance and payment by the Buyer and the Seller shall bear all costs for the inspection of returned articles. The Seller shall bear any costs necessarily incurred by the Buyer or the Seller for the processing, dispatch, post-processing and materials due to the occurrence of a warranty related matter. This warranty shall run to the benefit of the Buyer, its successors, assigns, customers and users of the articles sold hereunder by the Seller. The Seller shall further agree to indemnify the Buyer, its customers and distributors against any and all claims for personal injury, property damage (including claims for consequential damage) claimed because of negligent constructional, material and

manufacturing faults. This warranty shall be in addition to any other rights and remedies which Buyer may have under the law or in equity and shall not be construed to limit Buyer's rights and remedies in any way shape or form. The Seller shall agree to fill Buyer's orders for spare parts and prime components, large quantities, at reasonable prices, commencing from the date of delivery hereunder and continuing for a period of not less than ten (10) years after the date of last delivery of any unit for which spare parts might be required.

- Cancellation** - The Buyer shall reserve the right to cancel this Order in whole or in part, if the Seller does not carry out the delivery according to this Order or if he violates any material obligations under this Order. The Buyer may cancel this Order with immediate effect, if the Seller becomes insolvent, fails to pay its bills as due or makes a general assignment for the benefit of creditors, or if a petition under any bankruptcy law is filed by or against the Seller. The Buyer shall reserve the right to charge Seller for any loss entailed for reasons resulting therefrom. The Buyer may terminate work upon this Order at its convenience in whole or in part at any time by written notice. The Seller shall then be entitled to terminate or to cancel any orders in connection with this Order. The Buyer's liability towards the Seller shall be limited to the Seller's costs incurred by him by the time of the revocation under this Order in the case of exercise of the right to free revocation of the Order and shall not include further claims for damages, in particular such in the form of lost profit. Unless specifically directed, the Seller is not authorized to procure raw materials or fabricate goods which do not meet the requirements of this Order.
- Insurance** - Regarding the performance of works by the Seller or his representatives on properties and in premises, the Seller shall take out a workmen's compensation insurance, a public liability insurance policy and a building liability insurance policy with reasonable limits of indemnity, submit a corresponding insurance certificate to the Buyer and indemnify the Buyer and his representatives from any liability with regard to prejudices due to fatalities attributable to the Seller or the occurrence of personal injuries or property damage.
- Waiver** - A modification of these terms shall require the written form and the signature of both parties. The mere failure of a party to require the compliance with these terms from the other party shall not be deemed as a waiver of the respective term and/or the rights arising from it.
- Severability Clause** - If any provision of this contract is invalid, the validity of the remaining provisions shall not be affected by this. The invalid provision shall be replaced by a provision permitted by the law.
- Taxes** - The Seller shall pay taxes incurred due to the production, sale or shipment of any Goods under this Order, unless otherwise expressly agreed to in writing by the Buyer.
- Assignments and Subcontracts** - This Order shall not be assigned without written consent of the Buyer. The Seller shall not delegate his obligations under this Order regarding the manufacturing of the Goods to subcontractors, unless approved by the Buyer in writing. No assignment of monies due or to become due hereunder shall be binding for Buyer until its written consent thereto is obtained.
- Force Majeure** - The Buyer may refuse the acceptance of delivery in the event of fire, natural disasters, labor disputes, embargoes, explosions, floods, earthquakes, wars, accidents, transportation delays or failures, partial or complete suspension of manufacturing operations, and/or any circumstances beyond Buyer's reasonable control. In such event, Buyer may postpone the delivery date or cancel the Order without further liability ensuing for Buyer.
- Changes** - The Buyer shall reserve the right to change the Order with regard to the ordered quantity, the delivery schedule or other provisions by notifying the Seller. In this case, the purchase price will be adjusted with the mutual written agreement of the parties. The Seller shall inform the Buyer within a reasonable period about any additional costs or delays resulting due to such changes.
- Audit** - Seller shall be obliged to make available to Buyer or Buyer's representative the documents required for the audit of the Seller's cost obligation, if this offer on the face hereof specifies a specific time and specific material to be used, or this Order shall have been terminated prior to completion and delivery.
- Choice of Law / Jurisdiction** - If the Seller is a businessman, legal person of public law or a special fund under public law, the place of jurisdiction for any disputes including actions filed under the summary proceedings based on drafts and checks, shall be the Darmstadt district court. The law of the Federal Republic of Germany, excluding the United Nations Convention on Contracts for the International Sale of Goods dated 11 April 1980 (CISG, BGBl 1989 II 588, BEr 1990 II, 16699) and the rules of conflict of law of German International private law, shall be applicable.
- Miscellaneous:**
 - a) The relationship of Buyer and Seller is that of independent contractors.
 - b) Unless authorized by Buyer in writing, the names of the Buyer, its parent, subsidiaries and/or affiliated corporations and any of their trademarks shall not be used by Seller.

No press releases, public announcements and any other statements in connection with this Order shall be made without the prior written approval of the Buyer.